

BOARD OF MAYOR AND ALDERMEN

December 7, 2004

7:30 PM

Mayor Baines called the meeting to order.

The Clerk called the roll. There were fourteen Aldermen present.

Present: Aldermen Roy, Gatsas, Guinta (arrived late), Sysyn, Osborne, Porter, O'Neil, Lopez, Shea, DeVries, Garrity, Smith, Thibault and Forest

Mayor Baines recognized Felix Torres stating as you know Felix is leaving our City to assume a new position in Washington with the Fannie Mae Corporation, but those of us who have witnessed his work with Neighborhood Housing Services over the years know, as I said when asked about his leaving, he's been one of the heroic figures in the renaissance of our great City and those of us who remember the downtown and all of the issues that were plaguing the downtown before Felix and his organization arrived on the scene know what a transformation has taken place. So it's an honor for me, on behalf of the Board of Mayor and Aldermen, the citizens of Manchester and everyone who has had the opportunity to work with you to present you with a Key to the City in recognition for your outstanding service to the people of Manchester. Felix, we wish you God's speed in your new position and may you never forget the people of Manchester because they will never forget you. Congratulations.

Mr. Torres stated thank you very much, Mayor, for the kind words and I'd like to start by thanking the entire Board for your support over the years. Some of you I've worked with the entire nine years I've been at the NHS and have had a wonderful relationship and it's been great for the City of Manchester. A lot of people have asked me and complimented me on what I did here and I'd just like to say that whatever I did I only did it because the City wanted it done and that one of the things about Manchester which is really tremendous is that it's a can do City and if it's political leadership and the people of the City want to do something they just do it and Manchester NHS is part of that real spirit of "we can make it happen", thank you.

CONSENT AGENDA

Mayor Baines advised if you desire to remove any of the following items from the Consent Agenda, please so indicate. If none of the items are to be removed, one motion only will be taken at the conclusion of the presentation.

Ratify and confirm polls

- A.** Poll conducted November 22 approving free parking 6PM to 8PM December 20 to January 1, and lifting of odd/even parking restrictions Christmas Eve and Christmas Day subject to snow emergency provisions.
- B.** Poll conducted December 1, 2004 granting a one week extension (to December 5) of unpaid leave of absence for Fire Dispatcher Jay Heath.

Informational – to be Received and Filed

- D.** Communication from Bryan Christiansen, Comcast, providing information regarding pricing changes for January 2005 and updates on customer service.
- E.** Minutes of the November 17, 2004 Mayor's Utility Coordinating Committee.
- F.** Minutes of October 26, 2004 MTA meeting and Ridership Reports for the month of October 2004.

Accept funds and remand for purpose intended

- G.** Receipt of \$3,500.00 from the Manchester Dealers Charitable Fund towards purchasing equipment and supplies for the Police Department's Mounted Patrol.
- H.** Receipt of \$200.00 from Texas Instruments toward purchase of equipment and supplies for the Canine Unit and Crime Prevention.

Approve under the supervision of Highway

- I.** PSNH and Verizon New England, Inc. Pole Petitions:
#11-1036 located on Old Wellington Road;
#11-1037 five poles on Summer South Back St., one pole on Lincoln St.
#11-1038 three poles on Eastern Avenue
#11-1039 thirty-four poles on North River Rd., one pole on Ward St., one pole on McCarthy St., one pole on Ridge Rd., one pole on Bennington Rd., and six poles on road to State Industrial School (a.k.a. Youth Development Center).
- J.** PSNH pole petition #1101040 covering four poles on South Ridge Road.

REPORTS OF COMMITTEES

**COMMITTEE ON ACCOUNTS, ENROLLMENT AND REVENUE
ADMINISTRATION**

- K.** Advising that it has accepted the audit status updates submitted by the Finance Department and forwarding same for informational purposes.
- L.** Recommending the Finance Department be authorized to write off accounts receivable for the first quarter FY2005 as submitted.
- M.** Advising that it has accepted the City's Monthly Financial Statements for the four months ended October 31, 2004 for FY2005 as submitted by the Finance Department and forwarding same to the Board for informational purposes.

- N. Advising that it has accepted the following Finance Department reports:
- a) department legend;
 - b) open invoice report over 90 days by fund;
 - c) open invoice report all invoices for interdepartmental billings only;
 - d) open invoice report all invoices due from the School Dept. only;
 - e) listing of invoices submitted to City Solicitor for legal determination; and
 - f) accounts receivable summary;
- and forwarding same to the Board of informational purposes.

COMMITTEE ON LANDS AND BUILDINGS

- O. Recommending that the Board of Mayor and Aldermen approve a purchase and sales agreement between the City and Manchester Housing and Redevelopment Authority for disposition of property commonly known as the Brown School, and authorize the Mayor to execute such agreement as referenced herein subject to the review and approval of the City Solicitor.
- The Committee notes that it is understood the agreement provides that the City shall receive the full tax rate as it applies to the property inclusive of any City school, county and state taxes commonly included in the tax billing for other properties.

HAVING READ THE CONSENT AGENDA, ON MOTION OF ALDERMAN O'NEIL, DULY SECONDED BY ALDERMAN GARRITY, IT WAS VOTED THAT THE CONSENT AGENDA BE APPROVED.

- C. Communication from Gerard E. Fleury, Executive Director, City of Manchester Employees' Contributory Retirement System, advising of two pieces of legislation to be introduced in the 2005 State legislative session: LSR H-0378-R a housekeeping item not intended to be referred to the voters; and LSR H-0379-R submitted as a benefit enhancement anticipated to be subject to submission to the voters via a referendum.

Alderman Lopez stated if I can ask the Executive Director of the Retirement System to step forward. I go to this meeting quite often and I just want to make sure that in the last paragraph where the (LSR H-0379-R) is clearly a benefit enhancement proposal with cost implications to all, for him to clarify that statement that it is not a surprise when it comes back to this Board and they know the cost and the actuary will actually tell us the cost as the process and the administration process is proceeding, Mr. Fleury.

Mr. Fleury stated let me explain that the reason for this communiqué was that in recognition of the fact that a committee of City employees having drafted legislation and having it submitted that legislation appeared on the Legislative Services website and is open for public information. I thought it appropriate that this body should be informed of that by the Retirement System and, furthermore, that you come to understand that two pieces of legislation will be handled in a different manner. One of the items is essentially a housekeeping measure, it does not involve any impact of the cost of operation of the fund but takes care of some statutory conflicts that have been discovered over time and, therefore, will

not be going to referendum as will the latter item which is a flat rate health insurance subsidy proposal that was crafted. One of the difficulties we have at present is in determining the cost of that legislation. If we had those numbers they would, of course, be made available. But, one of the things that the Board of Trustees has done over the last several months is to commission the actuary to do a study of the various assumptions related to the valuation process and that's essentially done to make sure that the assumptions that go into determining the employer contribution rate are accurate. The actuary was charged with delivering that information to the Board of Trustees in November and that, in fact, did happen. However, it raised a number of other questions which required that the actuary return before the Board next week at their December meeting to conclude those discussions. At that time, all of the actuarial assumptions will be presented to the Board of Trustees and the Board will be given a relevant range for those key assumptions and be asked to ratify them so that the actuary can leave there knowing what assumptions should be applied to each of those factors. That will do a number of things. Number one, it will determine how the City's contribution rate will be determined for the valuation for 2004, it will also determine some key assumptions that are necessary for a referendum that was passed last September pursuant to Senate Bill 402 and finally, it will determine how the actuarial cost will be determined for the City's portion on the LSR most recently introduced. So, I think that my message to you tonight is that essential of those two LSR's one of them is a housekeeping measure with little or no fiscal impact, no discernable fiscal impact. The other will be disclosed as soon as that fiscal impact can be adequately determined.

Alderman Guinta stated my question is for you, your Honor. Have we received any kind of status report or an update on the legislative session from our lobbyist?

Mayor Baines replied we have had...we'll wait for Michael to come back...we have had some preliminary meetings with him to establish some of the protocols going forward, but we will follow-up and get a full report to the Board of Mayor and Aldermen.

Alderman Guinta asked did we pay the lobbyist for services rendered last year at all?

Mayor Baines replied yes, Mr. Clougherty.

Mr. Kevin Clougherty, Finance Officer, replied it is my understanding that we have and I'll go back and make certain of that and provide the Board with a memo updating what the status is.

Alderman Guinta stated I guess my concern is if we already paid for services rendered why wouldn't the procedures and policies already be in place that you are referring to.

Mayor Baines asked could you just update us with the coordination with the lobbyist on various issues that are going forward with the Legislature.

Mr. Michael Colby, Mayoral Administrative Assistant, stated I actually spoke to the lobbyist today, Bruce Berkey...we are planning a meeting...I spoke to Alderman Shea briefly...to sit down and look at the legislation as it comes out, the LSR's are coming out now but we don't have a lot of time, having a follow-up meeting and keeping the Aldermen informed. There has been a preliminary meeting with a couple of key department heads on certain legislation that would be coming up from last year's leftovers.

Alderman Guinta asked has there been any report from I guess the current year we're in from the lobbyist?

Mayor Baines stated we can get that information to you, I don't know exactly what you're looking for.

Alderman Guinta stated my first question is why wouldn't the lobbyist be here presenting this information, but it's sort of created some additional concerns of mine and if we paid for services what services have we received and has there been any legislative report that's been issued to the City because I haven't seen it.

Mayor Baines stated we will follow-up and get that information out to the entire Board. The reason Mr. Fleury is here is because he wrote a letter.

Alderman Gatsas asked do you think it's proper for us, as a Board, to be looking at these LSR's not knowing what the fiscal impact will be to the City?

Mr. Fleury replied I can appreciate the difficulty that you have faced with that...just so that you understand the perspective of the Retirement Plan. The Retirement Plan was aware that the legislation was being drafted, we assisted in answering technical questions. The difficulty was our virtual inability to cost that at the present time. There were time requirements for the filing of any legislation for the upcoming session that required that any LSR's be in by a certain date. So, the quandary there was in order to have anything considered in the 2005 session of the Legislature we had to have LSR's submitted by a certain time knowing that the cost estimates couldn't possibly be ready before the actuary finished their review of the valuation assumptions with the Trustees. So, that information will be forthcoming. It's unfortunate the way this rolls out but I can assure you that there was no plan to proceed blindly with it or to attempt to withhold information. That informational will be provided to all parties as soon as it becomes available.

Alderman Gatsas stated I'm going to ask some questions but I'm obviously going to abstain on this vote, but I think that it's important for my colleagues here to understand what you're taking about for benefit enhancement because just putting down benefit enhancement is not telling my colleagues what this legislation could mean.

Mr. Fleury stated the design for this piece of legislation would increase the cost for employees who are participating in the City Pension Plan to increase their contribution rate from the present 3.75% to an even 5%. That 1¼% of member contribution would be allocated to a sub-trust under Section 401H of the Internal Revenue Code and be earmarked for the payment of a health insurance subsidy. That health insurance subsidy is set at a flat rate for individuals who are currently retired and receiving a monthly annuity, that would be valued at \$100 a month. For individuals who retire subsequent to the passage of that legislation that subsidy would be \$200 a month; that rate would be frozen until such time as subsequent legislation allowed it to be reviewed, changed or whatever. In fact, it is conceivable that the nature of that benefit would have to be changed or the legislation would have to be dropped if in the fact the cost of it proved to be prohibitive.

Alderman Gatsas in referenced to the impact to the City asked if the impact is 1.25% to the employee, without looking at dollar amounts, what do you feel that the impact to the City is based on its contributions.

Mr. Fleury replied it would be purely conjecture on my part to come up with a value. I can tell you that there'll be some difficulty with this legislation primarily because anytime that you have a flat rate benefit but you're asking people across a varying salary scale to contribute a fixed percentage by definition the cost to any individual varies yet the benefit is fixed. So, there will be members that won't be thrilled with this benefit and may be in opposition to it. This piece of legislation will have an uphill climb at best. But, there was a consensus among the advisory group that's comprised of City workers across various departments...one of the things they had hoped to see was some form of a health insurance measure that would allow them some form of relief from premiums once they were retired. This was the best thought that they had at it and still be able to do that within the affordability of actuarial costs, study costs and so on.

Alderman Gatsas stated I don't think you've addressed my question about what the cost would be to the City.

Mr. Fleury stated once the actuary determines what the cost of the benefit is by looking at the population demographics and subtracts from that the revenue portion that will be generated by the additional contribution by the employee the balance of that would be spread actuarially over a 30-year period. I can tell you that that's how the mechanics would work. As to what that rate would be it is not possible for me to answer that at this time.

Alderman DeVries stated I think you just answered part of my question saying that the rate would be spread over a 30-year period. The actuarial study that is being performed will get a snapshot based on today's contribution and it will also be projected over the life of that 30

years, the future costs as it matures and you have employees compensated at different rates or persons retiring today.

Mr. Fleury stated I believe the answer to that question is yes. The valuation process looks at a number of variables and assumptions about population demographics for the plan that have a significant role conceivably on what the plan cost is for the employer. What the Board of Trustees did over the last year, first of all there was some dissatisfaction with the firm that had been acting as the actuary and that firm was replaced. A new actuary came in and adopted all of the assumptions that had been in place before and in discussions with the Board throughout last spring and into the early summer the actuary suggested that it would be a wise idea to review those assumptions to determine whether they were still valid. Because for each one of those assumptions there is a relevant range. If I might, by example, let's cite average life expectancy...if you said everybody is going to live on average to be 90 that would be ridiculous, but conversely if you said that everybody is going to live to be 50 that's equally ridiculous. When you get into the 70's then you're somewhere near right. So, you need to look at all of those assumptions and determine whether you are comfortable that the values used within a relevant range are the correct ones. Whether anything's changed about your population demographics that you would want to change those key assumptions and so what will be happening at the Board meeting next week is that the actuary will be reviewing all of those key assumptions explaining to the Trustees where the relevant range lies and asking the Trustees at what point do they feel comfortable setting the rate for each of those assumptions within the relevant range. Once that is done then we can proceed post haste with all of the cost factors that have been delayed up to this point including the one for this piece of legislation.

Alderman DeVries asked is this legislation also tied to the performance of the funds that the Pension System has invested in? Meaning that if the performance is off the benefit is affected.

Mr. Fleury replied the assumptions on performance are a key essential that is one of the valuation assumptions and certainly whether the earnings assumption is still valid is one of the things that will have to be looked at next week. The present assumption is that there is an 8% return, I believe, is the present rate. So, the question will be given the track record, given recent events in the market, given the returns we've had over the last two years...is that long-term 8% assumption still valid, can it be raised, can it be lowered. Obviously, if it's raised the cost to the City goes down, if it's lowered the cost to the City goes up. What's important over the long-term is that those assumed rates are reasonable.

Alderman DeVries stated I guess what I'm asking is is there anything built into the LSR that automatically will cause a review of the benefit for the performance of your investments drop off in order that there's not another lag time of a year to file new legislation.

Mr. Fleury stated I don't believe that's the case. The assumptions drive the costs. Once the benefit has been determined and you get the actuarial present value of that future benefit then the cost to the fund is assumed over a 30-year amortization if that's the rate that's been determined and it goes from there.

Mayor Baines asked who is sponsoring that legislation, do you know?

Mr. Fleury replied Representative Ben Baroody.

Alderman Shea stated review the process...it's introduced into the legislature and then carry it a little bit further now, what happens then.

Mr. Fleury replied the first step in the process is that any bill is introduced into the State Legislature either as a senate bill or a house bill. It's submitted to Legislative Services review where it is given an LSR number. The next thing that will happen is that the text of the bill will be documented in the form of a house bill, a house bill in this particular case will be assigned. At that point, you can review the accuracy and the content of that bill. The bill will then be reviewed by various committees where concerned parties can give testimony on the bill and either advocate for or against it. At that point, once it's been through various committees it goes for a vote of the Legislature assuming that a piece of legislation is approved by both the House and the Senate and then gains the Governor's signature. If it has fiscal impact as this LSR would it then goes to referendum of the City voters.

Alderman Shea asked how long a process is this? Do we, as an Aldermanic Board get the information that Alderman Gatsas was trying to get from you. Before any of us vote on this particular situation or recommended for a referendum either for or against. Do we get a cost factor, will you be able to tell the Aldermanic Board how much, or someone from your office, say this is going to impact "X" number of dollars in terms of taxpayers...

Mr. Fleury replied the operation of City Retirement is an open book. That information will be available to absolutely anyone that wants it as soon as it is available I will personally see to it that it's put on our website, I will personally see to it that this Board is notified of that study.

Alderman Shea asked if all of this were to go to fruition when would you anticipate that a referendum would be forthcoming.

Mr. Fleury replied the referendum can't possibly happen before either September or November of 2005 because this legislation would be acted upon and if it were successful and were to be signed into law by the Governor it would happen sometime in the spring or early summer of 2005. So, the first opportunity you have for referendum would be September or November of this coming year.

Alderman Gatsas stated I would think that one of my colleagues would want to make a motion to table this until...

Mayor Baines interjected it's only a communication.

Alderman Gatsas stated instead of moving it forward on a vote because it's going to appear that this Board is taking an action to move it forward.

Mayor Baines stated all you do is receive and file the communication.

Alderman Gatsas stated I think it should be left on the table until this Board at least gets an actuary as to what the cost of this is going to be to the City because this legislation could go through, get passed and then it goes to referendum and I don't think that referendum vote is going to tell the taxpayers of the City what the cost could be, it's not spelled out.

Mayor Baines stated the only thing I will say is that on this Board all we should be doing is receiving and filing and then we're going to have to watch this legislation as it goes forward.

Alderman Lopez stated I would have to agree to that which is why I wanted the Executive Director to explain so that there are no surprises when the actuary actually gives them the number we'll have those numbers. We're not taking any action here tonight other than to receive and file which is an administrative process for them to get through.

Alderman Lopez moved to receive and file the communication from Mr. Fleury. Alderman DeVries duly seconded the motion. The motion carried with Alderman Gatsas being duly recorded as abstaining.

Report of the Committee on Lands and Buildings:

- O. Recommending that the Board of Mayor and Aldermen approve a purchase and sales agreement between the City and Manchester Housing and Redevelopment Authority for disposition of property commonly known as the Brown School, and authorize the Mayor to execute such agreement as referenced herein subject to the review and approval of the City Solicitor.
The Committee notes that it is understood the agreement provides that the City shall receive the full tax rate as it applies to the property inclusive of any City school, county and state taxes commonly included in the tax billing for other properties.

Mayor Baines advised that Alderman Gatsas wished to be recorded as being in opposition to Item O.

Report of the Committee on Lands and Buildings:

- P. Recommending that the Hackett Hill Master Plan as enclosed herein be adopted.

Alderman DeVries stated I have a couple of questions first with Bob MacKenzie because this is referencing the Hackett Hill Master Plan document. Within it it talks about the site plan procedure that will be followed and if you could just tell me the difference between, if any, the procedure laid out within this document from the normal procedure that would be followed for any other development in process through the Planning Board.

Mr. Robert MacKenzie, Director of Planning, replied the basic difference is that it was felt that these had to be a high quality of building construction. They would still go through the site plan review process to the Planning Board but they would also be reviewed to make sure that they were quality building materials so that the design actually would be reviewed to make sure that it was a high level of quality and to make sure that the other properties were also high level. It is intended to be a corporate business park.

Alderman DeVries stated there are many references throughout the document in reference to the environmental sensitivity of the area and frequently the report says that best management practices will be followed, if possible, and many of the other items that will hopefully protect the sensitivity of the area. I'm just wondering whether within that site plan review process if there couldn't be a step added that the Conservation Commission be part of the process as they were with the other development that has already gone in up there for their additional expertise and input and if it was built right into the document that might make it a cleaner process for everybody involved.

Mr. MacKenzie replied the Board could request that. It would be the Board's Master Plan. The only caution I would have there...I think it's a good idea for areas that I would consider to be environmentally sensitive. There are some areas up along the edges of the preserve that I think it is important to have good, sound conservation practices. There's areas such as down near French Hall that are away from any of the protected nature preserve that perhaps that would be an unnecessary process, but for those areas that are adjacent to the preserve...

Alderman DeVries stated I would agree with that that there probably is not all areas that need to be included. But, I'm wondering though if we could delay this process momentarily so that you can delineate the areas that you think such an action would be appropriate and maybe also tell us if you feel that we need to help with any additional setback to the particular wetlands that present there because I believe under City it would be 50 foot. If in your expertise you think that should be 100 feet just so that all facts are known up front. If that is your recommendation if maybe we could put that as part of this plan as well.

Mr. MacKenzie stated it's been a very long process for this plan, so I'm hesitant to tabling it any further. Certainly, if you said any area within 200 feet of the established preserve had to go through a review process to the Conservation Commission, I think that would be a very large buffer and would be an appropriate amount to have go to the Conservation Commission.

Alderman DeVries stated one final comment because I know if we delineate 200 feet for review that is excellent but that doesn't guarantee us that there might not be a need for an additional setback that would be difficult for that review to stimulate. So, I would like to see something hard and fast that in a sensitive area which you would delineate, not the Board, but the Planning Director would delineate those sensitive areas that the additional setback requirement would be followed if authorized by the Conservation Commission at that time.

Mayor Baines stated the Mayor would not recommend that we not move forward...how long has thing been lingering?

Alderman DeVries interjected I understand, if we could pass it with that approval that's fine.

Mayor Baines stated just let me finish my statement, please. I was just asking a question about how long has this been lingering?

Mr. MacKenzie replied I believe it's been two and a half years.

Mayor Baines stated it's time to move it and then we could deal with those issues.

Alderman O'Neil asked, Bob, how do we fine tune this moving forward. You and I had a brief discussion last week and again last night about where they would theoretically put a fire station; that is all based on if that road were to get built, we may never see it built in our lifetime, it may not be the ideal place for the fire station. How do you work on issues like that going forward?

Mr. MacKenzie replied I think the Master Plan per se is sound. The revised plan shows the existing location originally where they had the access road was at the existing fire station which would have precluded that location. At least now there are two reasonable options for a fire station. I think the difficulty I have is that the Master Plan is sound and I would like to see the Board adopt it, but I'd be hesitant to give you specifics until the Board decided on how to approach the sale of the land. The Committee did recommend that it not be done by the MHRA, that it go out to some other process and I'm not sure what that process is. I don't think staff has thought through that process yet.

Alderman O'Neil moved to accept the reviewed Hackett Hill Master Plan. Alderman Thibault duly seconded the motion.

Alderman Lopez stated even if this plan passes we have the option of amending it at anytime we want, is that correct?

Mr. MacKenzie replied that is correct.

Alderman Lopez stated on the spreadsheet they've used the tax rate \$25.68, I believe, are those numbers going to go down.

Mr. MacKenzie stated the higher the tax rate goes the more benefit is accrued to the City.

Alderman Lopez asked if it was a reval and the tax rate went down to \$21.00...

Mr. MacKenzie stated the assessed value would go up so that the net taxes due to the City stays relatively the same.

Mayor Baines called for a vote on the motion to accept the revised plan. There being none, the motion carried.

Alderman DeVries stated if I could ask a question to address the issues of the critical areas that I think Planning Director MacKenzie agrees with me, he'd like to tweak this plan to give them a little better protection. I'd like to make a motion that he report back with an amendment of how we'd like to address that.

Mayor Baines stated I will direct him to do so and report back to the Board, how soon...shouldn't it go to Lands and Buildings.

Mr. MacKenzie replied I could have that for the next Lands and Buildings Committee meeting.

Alderman Forest stated I think there's a section on page 25 that goes along with what Alderman DeVries is talking about about the Conservation Commission and the property and everything else around it...there's a paragraph there that covers what she's talking about.

Mayor Baines stated they can review that in committee and talk that out.

Mayor Baines presented the following nominations:

Water Commission:

Patricia Cornell to succeed herself, term to expire January 2008.

Louis "Lou" D'Allesandro to succeed Raymond Provencher, term to expire January 2008.

Heritage Commission:

Verna Perry to succeed herself, term to expire January 2008.

Gregory Goucher to succeed himself, term to expire January 2008.

Greg Faltin to succeed himself, term to expire January 2008.

Alderman O'Neil moved to suspend the rules and confirm the nominations as presented.

Alderman Forest duly seconded the motion. There being none opposed, the motion carried.

6. A report of the Committee on Committee Improvement was presented recommending that a request to extend various projects through June 30, 2005 be granted and approved as enclosed herein.

Alderman O'Neil moved to accept, receive and adopt the first report of the Committee on Community Improvement. Alderman Lopez duly seconded the motion.

Alderman Gatsas asked is there any way before we move this we can put this on the table so that we can get what the balances are in these various projects that are left over because there are projects in here from '99, there's cash from 2000, I would think that if we haven't spent those we, as a Board, should at least be aware of what's there for funds that haven't been expended in 2003 and 2002.

Mayor Baines called upon Mr. MacKenzie to respond.

Mr. MacKenzie replied I believe we can do that. The Board has to act on them before the end of this year, so provided we can sort the information and get it for the next Board meeting in two weeks, we could do that.

Alderman O'Neil stated I respect Alderman Gatsas needing that information but that was not a topic of discussion by the CIP Committee yesterday. We voted unanimously to approve the extensions.

Alderman Lopez stated I agree with Alderman O'Neil. Mr. MacKenzie I think that there was a generated report in previous years that would be very easy for them to...we used to get a monthly report on the CIP of the years and the projects and the balances. Do you recall that?

Mr. MacKenzie replied yes.

Alderman O'Neil stated the point being we ought to be able to get that information to Alderman Gatsas, I just don't see a need to hold it up this evening.

Mayor Baines stated I would agree and called for a vote on the motion to accept the first report. The motion carried with Alderman Gatsas being duly recorded in opposition.

A second report of the Committee on Committee Improvement was presented advising that it has approved resolutions and budget authorizations for acceptance, transfer and expenditures of funds as follows:

Resolution and Budget Authorization providing for increase of \$294,350 in federal funds for Health Department CIP #210902 Substance Abuse Prevention and Treatment Program.

Resolutions and Budget Authorizations providing for transfer of \$49,307.04 in bond funds from Cohas Brook Fire Station project #411403 to #510005 Park Facilities Improvement Program for costs associated with Raco Theodore Pool.

and recommending same be referred to the Committee on Finance.

Alderman O'Neil moved to accept, receive and adopt a second report of the Committee on Community Improvement. Alderman Garrity duly seconded the motion. There being none opposed, the motion carried.

7. Report of Committee on Lands and Buildings advising that it has requested the Manchester Housing and Redevelopment Authority to appear before the Board of Mayor and Aldermen with recommendations on disposition of the French Hall property at the December 7 meeting of the Board.

Attorney William Craig stated yesterday, Mr. Mayor and members of the Board, I saw five dedicated, intelligent citizens of Manchester that make up the authority agonizing over all of the merits of these two proposals...the Brooks and the Herrington proposals...in the end it came down to deciding that the long-range benefit to Manchester presented in the Brooks' proposal outweighed the immediate gain of new jobs; that was the critical issue. It's my opinion that it takes great courage to make such a decision, but they did it and I hope you ladies and gentlemen will support their decision. At your pleasure, I can go through the previous offers briefly that were made and I can also, in more detail, go through the presentation and the details (pros and cons) that you received in your packet and communication from the Manchester Housing and Redevelopment Authority.

Mayor Baines why don't we review the pros and cons.

Atty. Craig stated as far as the use is concerned the Brooks Properties is professional office and research and development. For The Herrington Catalogue Company is primarily office, shipping, warehouse and a call center. The size of the Brooks Properties are 31,000 sf with a commitment to build 30,000 sf in the near future and perhaps more later. The Herrington is larger 31,000 sf which is the existing building and 55,000 sf almost immediately or as soon as they get approval. The estimated overall cost after expansion of the Brooks Properties is \$5,888,360 and the Herrington Properties is \$4,725,000. The projected tax revenue after expansion is estimated under the Brooks Properties to be anywhere from \$80,954 to \$91,340 whereas the Herrington is \$72,732 to \$82,252. As far as truck traffic is concerned...with the Brooks Properties there is none...there is some in the Herrington property. Under the zoning the Brooks Properties is a permitted use and the Herrington will probably need a variance although apparently that's still under review, but the best evidence we have had so far was probably it will need a variance. But, that will depend on the plans that will be submitted to

the Building Department. As far as being consistent with the overall Hackett Hill Development Plan it was felt that the Brooks Properties was more consistent than the Herrington property proposal. For the price Brooks is \$1.2 million and Herrington's is \$50,000 more. The number of employees...and this was the really tough thing...they'll be 70 in the existing building under Brooks and when expanded 70 more whereas in the Herrington there's full-time 160 and part-time/seasonal 240 to 290. The quality of employment, however, differs and I don't mean to denigrate anyone's position in life or job or anything of that sort, but generally R & D type personnel have a higher level of income...the office/warehouse types...a lot of the people in the Herrington take orders over the phone and fulfill the orders by loading trucks...I don't mean to denigrate...I've done it myself and there's nothing wrong with it but I think the other job will pay more. Suitability for the Gateway Park...we think that the Brooks Properties is much better, the Herrington proposal was rated as only as "fair" primarily because the major expansion will be a warehouse-type building and it will probably be a metal building and again I'm not sure but based on their proposal they will attempt to put a facing on it and will make it somewhat blend in with a brick construction or the construction that is presently there now but they are not sure how well they can do it and that was a matter of concern particularly where this was the entrance to the Hackett Hill Park which is hoped will be a model for research and development and again suitability for Gateway to park was the problem. The exterior appearance of the Brooks Properties proposal we rate as "good" and Herrington again it's "fair to poor" depending on type of construction of the warehouse building. Again, how well they can face it, how large it will be compared to the existing building, whether it will dominate the area as opposed to the building that's there...a variety of carrying costs...by that we mean that there sometimes is a period of time in the process of obtaining approvals and while those approvals are being obtained the authority and therefore the City has to bear the costs of maintenance for the building and with the Brooks proposal there will not be any extended but a normal due diligence period and none is required...Herrington has not committed. If there is a variance requirement or if there is any delay in obtaining approvals Herrington has not definitely committed to bearing those costs, they've said that they would consider it, but that's the most of a commitment that we received. Probably, one of the more important things also is the Brooks Properties is in the development business and you have in your packet a number of photographs that show buildings that have been built and owned by the Brooks Properties in New Hampshire and Massachusetts corridor and they're all, in our opinion, very desirable types of buildings...the types of buildings we would like to see in the Hackett Hill Development and the chance of a company being there who's used to doing that, who used to attracting these types of operations and these types of tenants is much more desirable than Herrington. Herrington's business just happens to be different, a very successful business just as Brooks is but it's different...they're in the sales business and not development business...in sales using catalogues. The development record of Brooks as a developer, we believe, is excellent as shown in the photographs and Herrington not being in the business has no record of development. And, therefore, for those reasons the Authority

Board members felt that they should recommend the Brooks Properties proposal to this full Board and we hope that you will so concur.

Alderman Gatsas stated, Attorney Craig, correct me if I'm wrong...asked didn't MHRA come before with two other proposals...one for Gold's Gym and one for another gym/fitness...explain to me if those two workout clubs and Gold's Gym follow with your research and development park that you're proposing or has that alternative changed drastically from when those proposals came before us?

Attorney Craig stated first of all this has not been an easy site to get developed. In spite of the fact that we're in a red hot real estate market the heat doesn't seem to have gone too far up Hackett Hill. This was first turned over to the Authority by this Board in July of 2003. The workout club and wellness center was felt that because of the way they were going to put up the building and fasten the exterior parking that it would be appropriate. It wasn't the best but at least it was decent. That fell through...the price was \$1.2 million and then there was a little bidding war...Gold's Gym came in and bid \$1.3 million, but they didn't want to make the additional improvements, they didn't want to hire as many people, and so the workout club was accepted, however, the workout club could not get financing that was satisfactory so they dropped out and we went back to Gold's Gym and they were no longer interested.

Alderman Gatsas stated the point I am trying to make is obviously when you're comparing Brooks and the other proposed buyer (Herrington) that for you to objectively look and say research and development is probably better than a wholesale catalogue because that's what you want as the front entrance of Hackett Hill Business Park where was that thought process when we were talking about Gold's Gym and the workout center.

Attorney Craig replied that just happened to be the best one that we could get and I think that Mr. Edwards could probably respond more to the details.

Mr. Ken Edwards, MHRA, stated the workout club was an allowable use within the zoning district and we felt that it was an allowed use we could accommodate them as long as the building design was consistent with what we had planned for the relocated road and entry into the park, the land beyond French Hall and up the hill. We were successful to design the building in such a way that in our opinion it would have been acceptable against the property that was visible from Hackett Hill Road, we really didn't have a problem.

Mayor Baines interjected I would recommend that the Board focus on what's before us.

Alderman Gatsas stated I'm trying to do that because when somebody says to me that one project makes more sense than the other I think that it's obvious that we understand and they say that that's what they want as their center point for the park, what changed that idea from

a year ago when we were going to put a Gold's Gym or a workout center that certainly doesn't follow the same criteria that we have. Mr. Edwards is it by your opinion by reading the ordinance that Herrington needs a variance.

Mr. Edwards replied no. We consulted with the Building Commissioner and the discussion actually occurred between Jane Hills and the Building Commissioner regarding the use. Initially the response was that a variance would be required and then there were some subsequent discussions regarding elements of their proposal which may be consistent with the zoning and at this point it is my understanding that the Building Commissioner cannot make a decision without seeing a plan for the building.

Alderman Gatsas stated my understanding by my reading of that code is that if it was strictly just a warehouse that would not be a permitted use. Let me ask the Building Commissioner because he needs to address it.

Mayor Baines requested Mr. LaFreniere to come forward.

Mr. Leon LaFreniere, Building Commissioner, stated your specific question is.

Alderman Gatsas replied my specific question is...my reading of that wording specifically says that a warehouse is not permitted in that zone, if it were strictly a warehouse, however, I believe what Herrington's use is is not a warehouse and falls within that category and I guess I need you to explain to me and this Board why you believe it's different than that.

Mr. LaFreniere stated I have not yet, as has been noted, made a definitive determination as to the classification of use and contents of our Zoning Ordinance and the reason I haven't yet done that is because I've only thus far had an informal discussion with counsel for the Herrington proposal, I've had no discussion with the Brooks people at this point. But, during those informal discussions it became evident that there was a range of uses that came within the Herrington proposal that do not fit neatly within the established use group criteria that is contained within our Zoning Ordinance and in those discussions it became clear that part of the proposal included a corporate headquarters which by my read would be an allowed use, the potential...this was explained to me for other manufacturing and assembly to be a component of their use which might also be a permitted use...there's a publishing component as I understand it that is part of this proposal that would also be a permitted use. What hasn't yet been determined and this is because I have not yet received any plans or any pro forma or any type of written description that permits me the ability to make this determination definitively as of yet is the nature of the fulfillment of the distribution center and how that classification will land within the context of the Zoning Ordinance. This is not directly addressing the Zoning Ordinance, in fact, according to the Industrial Classification System Guide which is published by the Office of Management and Budget of the federal government this seems to fall within a category called "electronic retail" and this is not

something that is addressed in the ordinance. So, in order for me to definitively classify use I will review an applicant...and this would be the case for any use that was proposed, not specifically for Herrington, but just to give the Board a context for how I make these decisions...I review the applicant's submittals and as I said as of this point I have not yet received any and that would include a pro forma that was submitted, plans that would define how the property was to be used and any supporting documentation that might be submitted. I may and usually do research comparable uses and how they might be classified in other host communities if it's something that we haven't seen before then I would take a look at it and see how other communities have made those types of classifications. I utilize heavily the North American Industrial Classification System Guide, as I mentioned, this is a document specifically referenced in the Zoning Ordinance and provides me with some guidance for these uses that are not contained within the Table of Uses and I have, in the past, and would anticipate in this type of instance where I might review an existing facility to more fully understand the operational requirements of the facility. But, without that type of information I haven't yet made a definitive classification. Some of the information that was provided to me was while the distribution part of the facility would be approximately two-thirds of the facility size it would only have about 10% of the employees. So, it's not just the physical layout but how it's used that I take into consideration to make a determination.

Alderman Gatsas stated I guess I come back to Attorney Craig's statement when you said that the Brooks property would generate between \$80,000 and \$91,000 in tax revenue. I look at it because there's a...maybe not a reverter clause but an out clause that says if they don't develop the property in your Letter of Intent here which is in the back...your Letter of Intent specifically says "that if the developer fails to start the proposed construction by the 5th anniversary date of the closing day that they will have to put the property on the market." So, they have the ability to...Attorney Craig, you said that the 30,000 sf and then the additional 30,000 sf would generate \$90,000 in revenue to the City. However, they have a five-year window to generate that. There is nothing in here that says they must start immediately in construction whereas the estimate for Herrington is a definite number that starts immediately. So, the estimate that we have here before us on the pros and cons is really isn't a true picture because what we should be looking at is what the tax rate would be for taxes on the 30,000 sf that's existing because that's a given. We shouldn't have this before us because that's not really a true statement.

Attorney Craig stated in any of these you have to take them on a certain matter of trust and the Brooks Properties and their track record is such that the Authority Board members felt that it was reasonable to expect them to start fairly soon. There is no guarantee.

Alderman Gatsas asked what is the actual property tax that we're looking at on a current basis for Brooks with the space that is there today?

Mr. Edwards replied approximately \$38,000 a year based on the current assessment.

Alderman Gatsas stated we should be looking at \$38,000 versus \$72,000 when we're looking at these and that's somewhere in the vicinity of a \$34,000 difference to taxes to the citizens of Manchester.

Attorney Craig stated with all due respect that is not necessarily so. If they do it and we believe they will build it then their taxes will be increased substantially.

Alderman Gatsas stated as you said we as a Board can only look at what the existing actual is before us.

Alderman Roy stated I do see where Alderman Gatsas is going with that if we were going to look at future potential of one side of the aisle we have to look at the future potential of the other side of the aisle. If Herrington did not build their warehouse then we'd still be at \$38,000 but moving along or aside from that I'd like to make the motion that we concur with the MHRA report and accept the Brooks Properties proposal. Alderman Forest duly seconded the motion.

Alderman Thibault stated one of the biggest things we have charged MHRA with is also to give us the best that could happen in that area and if I look at the Herrington proposal it was going to create a substantial amount of traffic, a lot more than what the Brooks Properties will and in this instance this is why I feel that we should go with the Brooks Properties. They are the ones that we have said are experts in merchandising this property and I think they've done a great job, they've brought us several proposals to look at, I certainly want to support the Brooks Properties proposal.

Alderman Porter stated I have a couple of question. Of the 20 comparables that were included in the packet half of them are 100% occupied, the other 10 are an average of 57% occupancy...most of these are Class B office and some are industrial...what competition will these people be having and what kind of estimated absorption rate are they looking at perhaps I see a broker in the audience...perhaps there has been a study and the other thing is and I'd like to direct this to Jane Hills, do you have any kind of an analysis of what else is available that this would be in competition with?

Ms. Jane Hills, Assistant Economic Development Director, stated you're asking about French Hall in particular.

Alderman Porter stated what would will Brooks be competing with if they are successful in purchasing French Hall.

Ms. Hills asked in terms of filling the building.

Alderman Porter asked what space is available in Manchester or the immediate surrounding area that will present competition. Out of the comparables they have an inventory of ten properties here that averages under 60% occupancy. So, I'm sure that they certainly would try to fill those if they could. I guess the question is has anybody done a market analysis, has anything been done out of your office, Jane?

Ms. Hills replied no, not specifically.

Alderman Porter stated so we don't know what kind of competition they'll be facing, what kind of absorption rate. As far as the taxes are concerned even if they closed tomorrow that will not go on the tax rolls per se as a tax base item until April 1, 2005 but it would give them some lead time which isn't a lot to be able to fill it or at least get some tenants out. Also, I'd like to have some idea...does Brooks have some potential tenants in line for these properties and why would they choose French Hall as opposed to the other properties available to them?

Mr. Edwards replied we have Joe Freedman from Brooks Properties here, he is their Asset Manager and I think he best could address your questions.

Mr. Freedman stated I'd like to first address the vacancy rate that you projected in our portfolio. While some of the properties may not be at full vacancy on a portfolio basis we have about a 13% vacancy. So, for instance, in your packet one of the buildings is 200,000 sf and it's full and we may have another building that is smaller but is 50% vacant. So, on the total portfolio we're about 13% vacant.

Alderman Porter asked what would you project for an absorption rate for French Hall before it would reach its maximum occupancy.

Mr. Freedman replied our goal would be to immediately fill that building, that's our goal in terms of projection and our goal is to fill that this year. Go after the tenant market, we think it's a good property, we think it's a good location. Quite honestly, it's not an outstanding one and that's why it's been a while in developing but we like the concept of the research park and the future development. We see a 10-year development plan there at the bottom of the hill. We're excited to be at the top of the hill starting it.

Alderman Porter asked would you go out on the limb and say that you could secure tenants within four months after closing, some tenants?

Mr. Freedman replied we believe we can, absolutely, and that's our goal and the question will be in a 33,000 sf building how many do you need to pay off the renovation because we do want to make improvements there. There are improvements needed, the building has been empty for some time.

Alderman Osborne stated as far as leasing the rest of this property how many vacants are there? When you occupy you still have to lease some out, right.

Mr. Freedman stated when we occupy we will still have to lease about half of it.

Alderman Osborne asked how many tenants would that be.

Mr. Freedman stated we probably wouldn't want to have tenants less than 3,000 sf there, so if there's 15,000 sf feet maybe there would be five more tenants.

Alderman Osborne stated it would be more of a risk of transit more or less of somebody leaving, coming, going and so on.

Mr. Freedman stated that's the nature of the business though.

Alderman Osborne stated there was a 3-to-2 vote of the MHRA commission, it wasn't unanimous was it.

Mr. Edwards replied that is correct.

Alderman Osborne stated there was some opposition I guess.

Alderman Lopez stated I just want to clarify in my own mind and if somebody or maybe our City Assessor Stephan Hamilton could maybe educate me a little bit because so many numbers are being thrown around, is he here, Steve. If it's okay, your Honor.

Mayor Baines replied yes.

Alderman Lopez stated when the estimated tax between \$80,000 and \$91,000 was thrown out and then the other figure of \$38,000 came up and then another Alderman indicated the other one would provide more taxes what is the situation on French Hall as is and if somebody goes in there what's the taxes going to be.

Steve Tellier, Chairman of the Board of Assessors, replied a little over 30,000 sf would generate taxes in the amount of close to \$39,000. I believe what their looking at is when they doubled it and then the improvements would certainly generate an additional assessment adjustment which would predicate or generate a higher assessment which would generate additional taxes, that is the part they're looking at. Presently, the building was reviewed for an assessment, it's a vacant building, it has some capital improvement projects that need to be done to that building that's part of why it's been on the market for some time. Our assessing office I don't believe was brought in on any of these discussions so I really can't

comment on the estimates that have been given to you tonight. But, generally, the taxes that would be generated on the initial building...it's present site status, the size, the type of construction, what's there now you're talking about \$39,000 in taxes.

Alderman Lopez stated okay let's say for a year from now the building is only 50% filled would the individual pay the full taxes.

Mr. Tellier replied at this point we feel that the assessment that's on there is fairly reasonable so whether it's 50% or 100% full...at 50% we'd take a look at it the way it is. If they're starting to take out permits, increase the quality and make improvements then we would take a look at the building and discuss any improvements done to the building but Alderman Porter was correct. As of this year, it depends on what's there as of April 1, 2005 what will precipitate any action.

Alderman Lopez stated now did I understand I think one of the Aldermen mentioned five years down the road for Brooks...which one...are you talking five years...Brooks, are you talking five years down the road for expansion or are you talking what.

Mr. Freedman replied we would be marketing the additional capacity immediately and if we were to find a tenant we would start immediately and we think that there's somewhere between a 30,000 and 70,000 sf building that could be built on those ten acres. We would immediately begin studying and working plans and developing guidelines to begin planning for the addition to the second building with our marketing staff right away.

Alderman Lopez stated out of curiosity what attracted you to French Hall versus something directly off the highway or other communities, what attracts you here?

Mr. Freedman replied we're very attracted to Manchester. If you have a business in Manchester you have good access to the seacoast, Concord and Nashua down the Route 3 corridor to Salem and to Boston, Massachusetts as well as somewhat up to the northwest, so the central location of Manchester is where a lot of companies want to be. Nashua is too far south for some of them, you can reach the whole market. Portsmouth is too far east, Concord is too far north, Keene is too far to the west...we have a lot of faith in Manchester. When we went into Methuen, Massachusetts we saw some of the same things with 495 going through and I-93 and we've been very successful there and shortly after we went in there we became one of the taxpayers and we intend to do the same.

Alderman O'Neil stated this isn't really a question but rather a couple of comments. First of all, we asked the Housing and Redevelopment Authority to do a job, they've done it and they've done it well as they've done many assignments from this Board...for some reason I'm disappointed that we're in this Brooks versus Herrington and I guess the question and I don't know who it's appropriate for is whatever direction we go why wouldn't we continue

discussions with the other company to encourage them whether it's at Hackett Hill or another location in the City and I haven't heard any discussion about that. I continue to see some large long-time employees in this City leave the City like Harvey Industries, Associated Grocers...I guess I'm more venting than anything else. What are we doing to encourage either of these companies if they're not selected for this specific property to stay interested in the City of Manchester?

Mayor Baines replied the answer directly is that based on what happens here this evening we'll be reaching out to either one of them to see if we can provide some other options for those companies.

Attorney Craig stated in line with that, Alderman O'Neil, I did place a call into Herrington's Attorney Susan Dupuis yesterday and I wasn't able to reach her personally but left a voice mail message hoping that we could interest them, she knew what the vote was, the decision of the Authority and urging and hoping that she might be interested in another site at the Hackett Hill Project and I left my home phone number and my office telephone number but I didn't get a response.

Alderman O'Neil stated, Bill, that's fabulous to hear and that's the type of stuff...it seems like we've pitted these two companies against one another and if anything I'd welcome the opportunity to have the both of them doing business in the City of Manchester and I hope we do everything in our powers to see that happens.

Alderman DeVries stated I guess my concern goes to the first proposal given us from Brooks versus the second proposal and I'm not sure I'm 100% comfortable that that first proposal might not have been in the better interests of the City where there was some sort of guarantee put in place for the full build out, the potential of that particular property. I realize that there is a \$50,000 difference but I would certainly entertain returning to the original because I think I'm hearing that it potentially could be a 10-year build out. The difference in the first one was at five years, correct.

Mr. Edwards stated our Board wrestled with this issue as well. In the final analysis they felt that the increase in the sales prices was worth more than the guarantee because they got convinced that Brooks fully intends...they're in the development business and they fully intend to develop this property as quickly as they can, as quickly as they can identify acceptable tenants for the space. But, they did offer because we were concerned originally about site utilization an option that would call for them to pay a \$30,000 payment per year in years 5 through 10 if they did not double the size of the existing building and that would be a payment in addition to regular taxes. Again, our Board felt that the additional \$50,000 on the purchase price given their commitment to develop and their need to develop because that's their business was a better deal for the City than sticking with the guarantee. If this Board would like to consider the other option I'm sure that Ed Brooks would consider it.

Alderman DeVries stated I think I'll follow-up with Mr. Freedman of Brooks and ask is that still on the table, the original price and that guarantee.

Mr. Freedman replied at your option we'll do either one and I just wanted to be clear also about the 10-year plan. I wasn't talking for the particular property that we are about to purchase here I'm talking about the entire development that goes down there. Our goal would be to get that property up way before five years because it doesn't do us any good.

Alderman DeVries stated now back to the comparison between the pros and cons if we return to the first offer that was on the table and we look at the tax potential that compares in the \$38,000 versus what was at \$72,000...the discussion you had with Alderman Gatsas. So, if we return to the first offer which was years 5 through 10 \$30,000 a year how does that comparison fan out now...\$72,000 versus...I guess it would be \$72,000 versus \$68,000.

Mr. Edwards replied that is correct.

Alderman Porter stated I would just like to make a comment pertaining to the \$30,000 in years 6 through 10. If you do a discounted cash flow of years 6 through 10 of \$30,000 a year depending upon which discount rate you use, I use 7.5% and that comes to a present value of around \$85,000. By them bumping up the \$50,000 from \$1.150 million to \$1.2 million they in essence are giving the City the money up front rather than having to wait for it because it's not mandatory that they build, it would be mandatory that in the event they didn't build they'd give us the \$30,000 a year and I'd rather have the \$50,000 in hand today than to wait five years to get \$30,000.

Mr. Edwards stated or get nothing because they have bills. There is a potential that you would get nothing because they had doubled the size of the building within the five years.

Alderman Shea stated the three concerns that I have go back to what Leon LaFreniere commented in terms of a variance and I'm not sure if he really answered the question of how difficult it would be for Herrington to get a variance. Would it be difficult if they needed to get a variance...ballpark...yes, no, maybe.

Mr. LaFreniere replied it's very difficult to anticipate at this juncture how the Zoning Board might react to a variance. For one thing we haven't really determined the nature of a variance, any variance that might be required. And, secondly, this reference presently literally the first property to be developed in the City's research park zone. So, the Zoning Board has not yet dealt with the question, any questions specific to the Research Park District and so I'm not sure I can really respond other than to say that I know the Zoning Board is sensitive to the Master Plan and would take that into consideration as part of their deliberations.

Alderman Shea stated the second question is the out clause that was expressed. Could you define what an out clause is, I'm not familiar with it. What is an out clause. I can kind of figure out, but why do we have an out clause when we're talking about a reputable business here. Why would they want an out clause.

Mr. Edwards replied I don't understand where that came from. What are you referring to?

Alderman Shea stated something that was mentioned by Alderman Gatsas regarding after a certain amount of time if they decided not to expand is that something that he misquoted or is that something that I picked up...

Mayor Baines asked, Alderman Gatsas, would you like to respond.

Alderman Gatsas stated if you take a look at the second page from the end which is the Letter of Intent and we should all remember one thing that the Letter of Intent is an explicit item that follows to a Purchase and Sales Agreement. The last paragraph states "if the developer fails to start the proposed construction by the fifth anniversary of the closing date the developer shall within thirty (30) days thereafter sign a contract to market the property." Nothing in here precludes the seller from buying the property tomorrow and selling it to somebody else without developing is for \$1.4 million. Nothing says that an expansion must happen. There is nothing here that says, in this agreement, that anybody must develop an additional 35,000 sf. No where in this Letter of Intent does that say that.

Mr. Edwards stated the intent of that paragraph was that if Brooks failed to market the property that they would place the marketing...not that they would sell the property, but that they would place the marketing for tenancy with a broker, not that they would sell the property themselves. We did not intend for them to sell the property outright. Only that if they hadn't expanded the property by that period of time that they would place it in the hands of a realtor and market for tenants.

Alderman Gatsas stated explain to me where in this Letter of Intent it says they can't sell it, they must develop it, show me where it says that.

Mr. Edwards stated it does not say that.

Alderman Gatsas stated tomorrow, if we close on this property tomorrow with Brooks they could turn around if they wanted to and somebody came down and said we'll pay you \$4 million for the property and Mr. Freedman your company's not successful because it doesn't look at potential and where they're going...so if somebody offered you an incredible amount of money for that property without expanding it because that's where they wanted to be you have the right to sell it without any expansion, is that correct?

Mr. Edwards replied no that is not correct.

Alderman Gatsas interjected let Mr. Freedman answer.

Mayor Baines stated let Mr. Edwards respond and then I'll go to the attorney and then Mr. Freedman.

Alderman Shea interjected remember I have one more question.

Mr. Edwards stated this sale would be contingent upon the developer signing a Land Disposition Agreement with the Authority which would require that prior to closing we would have architectural plans, a permitting process would be complete...the developer would not own this property until we know exactly what's going to be built, what the improvements are going to be at the site and we would hold a "good faith" deposit with closing in order to assure completion of all of the improvements. Now, after the improvements are completed a Certificate of Completion is issued then the developer is free just like anyone is to do what they will with the property. If they've met their commitment could sell the property at that time. Certainly could not sell the Purchase and Sales Agreement and they couldn't transfer a Land Disposition Agreement until all of the improvements that they obligated themselves to were complete.

Attorney Craig stated that is basically what I was going to say. In general terms it would be called the final Purchase and Sales Agreement which is called in renewal terms the Land Disposition document, it's substantially longer, has much more detail in it and would provide for more greater protection. In other words, there's anti-speculation clauses than the standard formal contract than will be in this one.

Mr. Freedman stated again our intent is to develop this property and there's nothing that we would like better...it's the business that we do everyday...just to give you a couple of points about your desire to see it developed no matter what...the building likely would cost \$100 sf or so. If it was a minimum of 30,000 sf that would be \$3 million. If it's a fully-developed 70,000 sf building that would be \$7 million. So, somewhere between three and seven million dollars is going to be the cost of this building. Before we could get a bank loan or even if we would come out of our own pockets for that kind of development we would have to have a tenant, so it's a tenant driven market, it's not a speculative location. It is our business to be looking to and talking with tenants everyday to get them to go to this site and others and I might also say that the projected number of jobs is extremely conservative. Again, at 30,000 sf of office space a typical tenant takes about 200 sf of office space per person, so if there is 30,000 sf that would be 5 times 30, 150 potential jobs in there is quite possible. If you look at the parking regulations that are typically required is why they call for that type of parking.

Alderman Shea stated this is going to be right down to the wire, so let's assume for the sake of discussion that the motion that was accepted and I'm not saying that it's not going to be favored by the Board, but let's assume for the sake of discussion that it's not accepted could you tell me then what happens. In other words, Brooks is not accepted, it doesn't muster the amount of votes, what happens then?

Mr. Edwards stated that's a good question. It would be back to our Board. Our Board had deliberated based on in-person presentations made by both parties. We all agree that both proposals had significant merit. It was a difficult deliberation, it was a difficult decision to make, but they made it and feel that it's in the best interest...the majority felt that it was in the best interest of the City to go forward with this proposal based on all of the criteria we've explained.

Alderman Shea stated what I'm asking is is it possible if it's not accepted that the vote could change at the commission.

Mr. Edwards replied I would not want to speculate.

Alderman Shea stated I'm just saying that it is a possibility that there could be, for instance, if the will of the Board is not to accept this, it's obvious the will of the Board is to accept something else, would the commissioner's be swayed by the vote of the Aldermanic Board.

Mr. Edwards replied I don't know.

Alderman Shea stated you're answer is you can't say.

Mr. Edwards replied that is correct.

Alderman Guinta stated I have two quick areas that I want to talk about. Mr. Freedman, does your company have any interest in other parcels on Hackett Hill or is this the only parcel?

Mr. Freedman replied yes they have interest...do you mean current ownership?

Alderman Guinta replied yes. As you interested in any other parcels?

Mr. Freedman replied absolutely, we'd like to be the developer for what's just been approved tonight.

Alderman Guinta asked is there any room for flexibility on that contingency that was discussed earlier, the 5-year contingency.

Mr. Freedman stated we believe we've made a very fair offer at a fair price.

Alderman Guinta stated secondly and I don't know who would answer this, it's sort of a zoning question. Is your expectation that the Master Plan will affect how the Zoning Board rules with respect to variances. The reason I'm asking is because tonight we took a vote to make a higher amendment and Alderman Lopez asked a very, very important question which is does this Board have the ability to amend the Master Plan at any given time. I want to make sure that the Master Plan is not narrowing the type of development that can happen at Hackett Hill. For example, if research and development does not prove to be fruitful or if only a percentage of that area is for research and development is our Master Plan going to negatively impact potential zoning decisions.

Mr. LaFreniere stated I think one thing the Board needs to understand is the Zoning Board acts typically in the context of the city-wide Master Plan adopted by the Planning Board and I think that probably...

Alderman Guinta stated the Master Plan for Hackett Hill is part of the city-wide Master Plan.

Mr. LaFreniere stated I was going to get into that...and I think that probably Mr. MacKenzie can respond more directly to that. So, with regard to the Zoning Board they are going to look at how any proposal that comes before them indirects with the Master Plan and the specific area plan deals with that hill as a city-owned development project is something that obviously they will take some consideration of. But, by statute their specific parameter that they function within relates to the city-wide Master Plan, so I believe that the intent and this is where I'm stepping a little out and maybe Bob would have the answers...I believe that the intent is for the specific area to provide a standard of development that is sustainable throughout the development and will provide at the end a higher quality development as the City has made their goal. I don't think that that necessarily limits the Zoning Board in how they can react. It definitely limits the range of uses that can take place there in the context of trying to achieve that goal of a high quality and high development.

Mayor Baines interjected that's the idea behind the Master Plan.

Alderman Guinta stated it sounds like standard rather than business sector is the...here's my concern...the Master Plan calls for R & D, if somebody outside of R & D comes is it going to be required that this Board amend the Master Plan to ensure the variances will be approved. I can't imagine that Herrington is the first and only company that's going to be asking for a variance as we develop this parcel so this is going to be an important issue and I don't think that people would perceive this Board in a positive manner if every year we're changing the Master Plan. So, my concern is are we too narrow...I'd like to also touch upon what Alderman O'Neil was saying...we should be pro-active with both of these companies not one or the other and the only way we can do it is having one person speak on behalf of

the City and right now we don't have that. We're going to discuss that later tonight but there is no reason that we should be choosing between two great opportunities and that's essentially what we're forced to be doing and my concern is we're doing it for two reasons. One, the Master Plan may not allow us to have access to one and, secondly, every time this Board amends a Master Plan there's going to be speculation as to why that's happening and the reality of it is we should be able to have both of these companies. So, I have great concern which is why I asked Mr. Freedman a question...what other parcels are you interested in because if the vote does not allow you to move forward at this point we'd like to send a message that we still want the company, we still want the business. But, I think it's important to us to speak as a body saying we're looking at Brooks and wanting Brooks in the City and we're also looking at Herrington and saying we want Herrington. So, let's find a way where we can make both companies happy rather than comparing \$38,000 versus \$72,000.

Mayor Baines stated Alderman Forest would like to speak and then I will call for a vote.

Alderman Forest stated Ken, I'm not sure if you can answer this question or Bob MacKenzie. How long has French Hall been vacant?

Mr. Edwards replied since 1999, I believe, it was acquired in 1999.

Alderman Forest stated not that I agree with many things that former Alderman Hirschmann said but Alderman Hirschmann was involved in this project long before I came along and as far as Manchester Housing Authority...every week or every other week we get an invitation to go to their meetings about Hackett Hill. I have gone to several of them so I know how much work Manchester Housing has done on this project and how many companies they've interviewed on this project. They've made a decision to go to Brooks, I trust their decision as the Alderman of the ward and I'm asking this Board to okay their proposition and I wish to move the question.

Mayor Baines called for a vote on the motion.

Alderman O'Neil called for clarification on the motion.

Deputy City Clerk Johnson stated the motion was to concur with the report and authorize the sale to Brooks Properties as outlined.

Alderman Gatsas asked if we were to vote to reduce the amount of money that comes to the City coffers from a sales price that would affect the tax rate would we vote no when we answer this question?

Mayor Baines stated the Clerk will proceed with a roll call vote.

Alderman Forest, Roy, Sysyn, Porter, O’Neil, Lopez, DeVries, Smith and Thibault voted yea. Alderman Gatsas, Guinta, Osborne, Shea and Garrity voted nay. The motion carried.

Mayor Baines recessed the regular meeting for approximately five minutes.

Mayor Baines called the meeting back to order.

On motion of Alderman Thibault, duly seconded by Alderman Sysyn, it was voted to recess the regular meeting to allow the Committee on Finance to meet.

Mayor Baines called the meeting back to order.

- 10.** A report of the Committee on Finance was presented recommending that Resolutions:

“Amending the FY2002 Community Improvement Program, authorizing and appropriating funds in the amount of Two Hundred Ninety Four Thousand Three Hundred Fifty Dollars (\$294,350) for the 2002 CIP 210902 Substance Abuse Prevention and Treatment Program.”

“Authorizing the Finance Officer to effect a transfer of Forty Nine Thousand Three Hundred Seven Dollars and Four Cents (\$49,307.04) for the 2005 CIP 510005 Park Facilities Improvement Program.”

“Amending the FY2003 and 2005 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Forty Nine Thousand Three Hundred Seven Dollars and Four Cents (\$49,307.04) for the 2005 CIP 510005 Park Facilities Improvement Program.”

ought to pass and be enrolled.

Alderman O’Neil moved to accept, receive and adopt a report of the Committee on Finance. Alderman Smith duly seconded the motion. There being none opposed, the motion carried.

Update regarding Economic Development Director position.

Mayor Baines stated I realize there has been considerable discussion about the Economic Development Director position. I would like to recommend this evening because of the discussions that are ongoing that this matter be referred to a Joint Committee on Administration/Human Resources so that we can iron out all of the different issues that Board members have regarding that issue.

Alderman Thibault moved to refer the matter to a joint meeting of the Committee on Administration/Information Systems and Human Resources/Insurance. Alderman O'Neil duly seconded the motion.

Alderman Lopez stated I do want to mention to the Board here and I think the motion is to go to the Administration Committee...

Mayor Baines interjected I thought it might be better to have a joint meeting.

Alderman Lopez stated I do want to take the liberty if the Clerk will pass this out please. I think it needs to be said that during the process of last year's budget I wrote a letter to the Mayor in reference to an Economic Development individual and that we needed somebody to lead the charge so to speak. I think during the process of what happened during the last few months of finding out exactly where we were going and the Aldermen not knowing what economic development...and getting information I thought that looking at...what I am passing out is a resurfacing of the Planning Development Department and in that is an Economic Development Group that was recommended by our former Economic Development Director, Jay Taylor. At that time it didn't have the votes. In conversation with some of the other Aldermen and I will speak for myself I have come to the conclusion that we do not need to have somebody in the capacity of \$80,000 to \$90,000 as an Economic Development Director in the City of Manchester. I do believe that we need an Economic Development Division and we need the retention and we need somebody out there marketing and talking to people but we don't need people just to wait for phone calls or wait for something to happen from MDC or the Manchester Housing Authority. We need somebody actually out there working. So if the Board desires to send this to the Committee on Administration one of the things I want to do and I feel very strongly about this is ask this Board to accept a different motion and allow me to put a motion on the floor tonight to transfer the Economic Development Office to the Planning Department under the Planning Director and that an Economic Development Group Division be created effective January 2005. I believe going to Committee is going to delay this and it is like killing a few things going to Committee all the time. We are going to have all kinds of people coming in and telling us how to run the City and I think it would be improper. We have had so much discussion about it. We know what we want. We want people to report to us on economic development in the City. We want to be kept updated. We want to know what is going on with MDC. We want to know what is going on with Manchester Housing and Redevelopment, Manchester Neighborhood Housing or any other business in this City and we haven't been given that opportunity. I know yourself, your Honor, that you have personally participated in doing the work that we pay others to do. I think it has to come to a head start here and we need some Indians instead of some Chiefs and that is why I want to resurface this.

Mayor Baines responded I appreciate your comments, however, I do believe that the Committee process is the right process to follow so there can be a thorough discussion and analysis of the situation.

Alderman Porter stated I would like to follow-up on what Alderman Lopez said. I think we have a lot of talent right on our own staff if used properly. If given the flexibility, a certain degree of autonomy would be needed with an Economic Developer. There is a difference between a salesman and an order taker and I think that we need an aggressive person, a self-starter, to be able to go out with the proper budget in place to be able to do these things. It would not be unusual in the future to see an economic developer hop a flight...Kevin Dillon can probably get it for \$15 roundtrip on Southwest or USAir and go to Washington and discuss with our legislators down there. There are four of them that certainly would be willing to help Manchester. I believe very strongly in face-to-face discussions and true selling. It is going to be a burden on whoever is selected to do it. I do believe we have ample people in house to be able to do that. That is really the only comment I want to make. We need to have an aggressive marketing agent for the City of Manchester employed by the City.

Alderman Guinta stated I understand that we had a period of what a month where the position was open. Why wouldn't we just set-up a selection committee, review the applicants and move forward?

Mayor Baines responded we did and that is what I was going to announce this evening when I learned that there was an effort by a number of Aldermen to change direction. We have selected the committee. Gary Long, the CEO of Public Service of NH has agreed to be on the committee as did Kevin Dillon from the Airport, Alderman DeVries, Seth Wall and Ginny Lamberton. That was going to be the committee. We received how many applications? Twenty-six and they have already been sent out to all of the Committee members. We were going to proceed with the same professional approach we had used with the other openings that occurred and then this curveball came our way. That is why I said recognizing that the astute politician that I am occasionally that to have a real thoughtful analysis and discussion of this issue as opposed to making a spontaneous decision tonight – bring it back to the Committee structure and let them iron it out and come back with some recommendations.

Alderman Guinta replied I certainly respect the Committee process but my concern is that the City has gone almost three years now without an Economic Development Director and a perfect example, and I think we all agree tonight and Alderman O'Neil talked about it we are picking and choosing and it is simply because as a Board we cannot have 14 proactive people when it comes to economic development. We need to have one central, focused person. I think everybody would agree that we would like to have both Brooks and Herrington. The only way we are going to get those types of companies is to have a director. I absolutely 100% support the recommendation from you, your Honor, to put together the committee and I would support that. Almost three years of waiting to me is enough. I think that we should move forward. We are the largest City in the state. It does not make sense that we do not have somebody driving the economic engine of the City.

Alderman Roy stated perception is very important to the public and as Bill Craig mentioned earlier he would have dressed up if he had known he was on TV. People come to this City and they see us battling over...tonight it was Herrington and Brooks. Two weeks ago it was Neighborhood Housing and MHRA when it came to Brown School. What we show to the public translates into how many people want to come and do business with us and it is also shown when they call City Hall and say I am looking to move my company to Manchester who do I talk to. Right now they can talk to the Mayor's Office. They can talk to Jane Hills in Economic Development. They can talk to a secretary in Economic Development. They can talk to the Finance Department. They are safest going over to the Chamber and getting two or three people directly on the phone that can help them. We need to put a best foot forward if we are going to take economic development, which I think is the only way we are going to do a good service to our taxpayer, if we are going to take economic development and put it on the forefront we have to have a person who knows the City, is willing to work with people and is a go getter and is going to get out there and get the job done and put the City's best foot forward so when the people do come in here and 14 Aldermen and the Mayor start asking questions they have been prepared, they know that they are going to expect and someone is there to assist them with the process and also coordinate with the MDC and MHRA as quasi-governmental corporations that work for us but there should be someone helping them and giving the best appearance of the City and we don't have that right now. We have been accepting deals as they fall in our lap and that is fantastic but that is not always going to be that way.

Alderman DeVries stated I have certainly heard it spoken several times that we have volunteer, if you will, or paid organizations that can assist us with our economic development. I do not see it that way but I would be interested in hearing...I see that Skip is in the audience with us tonight. How do you feel that your organization could take the place of an economic developer or what are we losing by not having an economic developer?

Skip Ashooh, Manchester Development Corporation, stated I am glad you asked that question and the reason I am glad you asked that question is that the MDC just got through a three-month self-examination. Half of the Aldermen sitting in these Chambers participated in it. We have a report that is being bound and prepared to be distributed. We will probably have it at the MDC meeting on Friday, which means that it will probably be in your package Friday afternoon. One of the major recommendations in that report is that...let me talk about who was at this planning session. We had half a dozen of the Aldermen sitting here. I don't have to name names, you know who you are. We had representatives from the state.

Mayor Baines stated you can name them.

Mr. Ashooh responded Aldermen Lopez, Smith, Thibault, Forest, Roy, Sysyn and Porter were at those meetings and we really wanted their input. It was open to all of the Aldermen.

The discussion over three months really focused on the strengths and weaknesses of the MDC and the City as far as economic development. So what you are going to get is a report and maybe it is appropriate to use this report in the Committee if you send it to a Committee because we had one universal recommendation and that was that the City needed an economic development center. We needed a professional to do economic development. The MDC Board is a wonderful Board but we are 12 volunteers. We have really no paid staff. We can do a lot for the City but we can't do it all the time. We have jobs to go to and the like. MHRA has its role as well and what we find is that there is a lot of teamwork there but there is no central coordination and I think that is probably what the question is. How do you coordinate all of the activities? I would ask that you take a look at the report that the MDC is publishing. I have to say it was underwritten by Citizen's Bank so I thank them. It cost the City nothing to do this. Take a look carefully at what the analysis was, what the comments were, what the strengths and weaknesses were in this report. We also have some recommendations in that report on the governance of how the Economic Development Director should operate and how that office, that person should communicate through the Board of Mayor and Aldermen. The way I believe it was seen is that this was an individual whose charge was to take control of economic development and report directly to the Board of Mayor and Aldermen on a quarterly basis and issue an annual state of economic development to the City. Whether the Board sees merit in the position or not, the report is there for you to examine and digest.

Alderman DeVries stated I have more of a comment than a question because what I have seen over the last two years has been frustration on the part of many of our Aldermen as we have dealt with rather large projects that have come down the pike. Certainly the riverfront development being one of them and now we are looking at the Jac Pac proposal for development. I remember the frustration of not having the point person that was able to bring the rest of the staff together and solicit the information that we needed to have in order to make the appropriate decisions that had been through the process before, had the foresight to work with the utilities ahead of time...I mean it went on and on and on. I think that we greatly were operating at a deficit when we went through that project not having somebody at the helm of economic development. On top of developing, that office also is going to look at business retention for us. Nobody is working...Jane Hills attempts to but nobody is working as was identified in the CEDS Committee on really doing proper business retention in the City. Getting out and visiting each and every one and finding out what they need in order to not only stay with the City but expand within the City. Yes we are running out of land, good industrial land for the major corporations but we can do a lot to help ourselves and I just don't think we are doing ourselves any benefit at all by leaving that position, that office unmanned.

Mr. Ashooh stated it actually brings up a point. Alderman Porter made a good point and that is that the City has a lot of resources and has excellent staff. What it doesn't have is the ability to coordinate the efforts of that staff on a project focus day-to-day. That is really

where an Economic Development Director comes in. Jane Hills does the best that she can on business retention. She goes out with the Mayor on visitations and the like but she is also staff to MDC on whatever limited basis she can do. She does all of the other things that come into that office and she and Denise work very hard at that but it takes away time from their major mission. I think that is what this examination of the Economic Development Director should be. How do you coordinate the resources of the City? What is the best way to put this together? Do you create one person who then can review everything that happens in the City and handle all of the prospects that come, delegate them out to people and have one source of information that comes back to this Board? I would hope that you would take a look at our report to see what it contains.

Mayor Baines stated I think Jane and Jay and I have been out to 130 or 140 personal visitations to businesses since I have been Mayor. We have worked very hard at business retention but a lot more needs to be done.

Alderman Thibault stated this is why I think it has to go to Committee so that some of these bugs can be ironed out and maybe we should put a time limit on it that it must report back to this Board within 30 or 60 days or whatever the time is. It should be quick.

Alderman Shea stated I kind of disagree with my colleague to the left. I think there was a point man for the Riverfront property and I think that Bill Jabjiniak was that person even though maybe there were certain difficulties involved. I kind of take the position that we have been without an Economic Development head for I don't know how long but since Jay has retired and I don't see too much coming from the Economic Development Office in this absence. My thoughts are that if Alderman Lopez's proposal were accepted there would be better control and I don't think we need a person necessarily to be an Economic Development Director, we need people to go out and sell the City. We need people to be out in the community. We don't need pencil pushers in offices and we have too much of that today. We want somebody who is an energetic person who can go out and can bring business in. If you have an Economic Development Director and he or she is sitting in an office waiting for people to come in order to come in to the City you are going to find that Concord, Nashua, Portsmouth and other communities are going to have people going out in to the communities and try to grab these people in order for businesses to come in to the City. Basically I also disagree with the Mayor because I had a conversation with the Mayor a week or so ago when we discussed this matter and I explained to him at that time that there were members of the Board that were not heading in the direction of an economic developer...a person to be hired in that role. I think he was aware of that. My point is that about two years ago or so and I have documentation here as does Alderman Lopez indicating that there was a proposal brought forth by the Mayor to incorporate the Economic Development Office with the Planning Department and it was shot down by members of this Board. My thoughts run along that line rather than having a full time Director at this stage with a large pay scale and so forth.

Mayor Baines responded Alderman Shea is absolutely correct. We did have that conversation but nothing really started to formulate or bubble up to me until today. Secondly, the proposal that was developed by the Planning Department, Building Department and Economic Development that Alderman Lopez is talking about tonight, which I did support, is much different than what I have been hearing about today. This included keeping the Destination Manchester Office and adding two people in the Economic Development Office so that we had individuals, because Jay felt very strongly that we needed to be much more aggressive concurring with exactly what you people have said this evening and creating a Community Development organization. Originally I felt very strongly that Building should also be a part of it. What I am hearing tonight is significantly different from what I proposed. That is why I believe we need to go back to Committee to sort of flush this issue out.

Alderman Guinta stated I think whether you look at Alderman Lopez's proposal or some of the previous discussions or proposals that talked about consolidation or reforming or restructuring, each one essentially has in it an Economic Development Director. In Alderman Lopez's proposal the Director in the middle of the sheet would essentially be the Economic Development Director.

Alderman Lopez responded let me clarify something. First, this is not my document. Second, the Director of Planning is what you are referring to. In the Planning Division that was recommended there would be an Economic Development Group. If you turn the page you will see where business retention, business development, support of Manchester Development Corporation, redevelopment corporation, comprehensive economic development strategy and municipal real estate. Those were recommendations that were made by Jay Taylor, not Mike Lopez. Also I would like to correct something. That meeting that the six Aldermen went to was an eye opening for this Alderman. I agreed with the speaker at that time and I will be interested to see that report but one of the most important things that that speaker said is you can have order takers and you will be in the same situation. I think when Jay Taylor left he realized that this is the type of thing that we need. We need people out there working and I think that is the reason the economic development group came under the Planning Division because in most major cities that is where the economic group is and that was verified by statistical data that Jay Taylor accumulated and Jane Hills accumulated. I just want to clarify that.

Alderman Guinta stated I was trying to say something nice about Alderman Lopez coming forward with a proposal. If it is not your proposal, that is fine but what I find in the proposal essentially is most of the responsibilities of what I am seeing here is that of an Economic Development Director. I think generally speaking we are all on the same page. Whatever we call that individual, whatever title it is, we need a top notch first rate individual who has extensive background in promoting, marketing and developing a community. Whether you

want to call it an Economic Development Director or Planning Director, that doesn't matter to me. The fact remains that we need the individual and it is something that I have advocated for and it is something that I know that you are advocating for and the proposal that was brought forward this evening, that person is in this document, which is why I say we should very much consider moving forward with your original thought process.

Mayor Baines responded I can only move forward if the votes are there for me to do that. I just want to clarify that the Director under this division was Bob MacKenzie. Bob MacKenzie would have become the Director of the Planning and Development Department with all of these entities working under his supervision. That was the original proposal.

Mr. Ashooh stated I am in complete agreement with Alderman Shea that there is absolutely no way that this should be a pencil pusher. The problem here is that no one has settled on what the job description is but we all know what we need is someone who represents the City looking out but also when a project comes into the City someone that the Board of Mayor and Aldermen can direct to conduct that project. This is not a pencil pusher position. This is in part a salesman and in part a public relations job, but it is someone who is charged with the responsibility of the economic development of the City. That is different than Planning and I think Mr. MacKenzie will tell you that and significantly different than the job that has been done by staff in bits and pieces. The recognition that all of the work that has taken place in the last 10 years – we did the LDR study in 1992/1993, a lot of things have been accomplished and what has come out of that is the City of Manchester has a national reputation as one of the great economic development success stories in the country but we don't have an Economic Development Officer. So you post the job, we get a job description and we have 26 people from around the country and I believe we have one from out of the country as well, who want to compete for the job, the right to be the Economic Development Director of one of the best economic development stories in the country. We should take the opportunity.

Mayor Baines stated I was at a state meeting on economic development and we kept hearing Manchester, Manchester, Manchester at this meeting so the entire state is looking and also I don't want people to think we have been sleeping about economic development. Two major companies came here and located here because of the direct involvement of this office and that is what Alderman Lopez was saying earlier was that we haven't had people but we have worked very hard. We have recruited. I have attended meetings with business leaders to get their businesses into Manchester and I have been very aggressive from my office doing it but it is all going to come down to votes here I can tell.

Alderman Gatsas stated I think I come back to the original premise where you talked about how important it is for the Committees to do their work. We can't just arbitrarily select when a Committee is going to do its work and when the full Board is going to do its work. We just saw something that came through on Hackett Hill that in the Committee they

referred it to the full Board. So either we are consistent as a Board with what goes to Committees and what doesn't go to Committees so that we can arbitrarily pick and choose. I agree with you but we shouldn't arbitrarily pick and choose so that we can modify what we are looking to do or accomplish depending on what the votes are. That we can certainly look at on a consistent basis as to what goes to Committees and what doesn't. Now we had a pretty good Economic Development Director here by the name of Jay Taylor. I thought he did a real good job. I would assume you would agree with me. The Airport Park. We had an Economic Developer in the City and we turned over the Airport Park to MHRA to develop. That doesn't sound like a consistent plan when you say that you have somebody to do the economic development of the City and then you turn over projects like Bridge and Elm to MDC and you have an Economic Developer here in the City. I think at that point the rationale of what we are talking about paying somebody versus an actual description of his job function, I would think that if we are going to go out and hire an Economic Development Director to come to this City then MHRA shouldn't be developing Hackett Hill. It should be him who is in the forefront to go and do this work.

Mr. Ashooh responded you are right except for the fact that what happens and the way the City has worked and very successfully I might add is that you take the separate functions and the expertise we have in the City. Jay Taylor as the Economic Development Director was an excellent liaison between all of the City departments. The MDC worked with Jay and Finance. We had a project team when we did the arena. When it came time to execute the project it got turned over to MHRA because their expertise was in land acquisition and the contract administration and the whole bit. I think you will find the same thing happened at the Airport. I wasn't involved in that so I would have to refer it to somebody else but what you need in an Economic Development Director is recognizing where the strengths and the resources are and handing those projects off. That doesn't take the oversight away from the Board of Mayor and Aldermen. What it does is it gives that Economic Development Director the ability to execute the charge that the BMA gives that person. If Bill Craig was here he could probably explain why the MHRA is better at it than the MDC would be.

Alderman Gatsas stated I think you were present here this evening and watched the control of this Board basically looking at French Hall, Gold's Gym, a school and now a development that may or may not ever come to fruition on expansion because that is not in the agreement. So at what point does the Economic Development Director come in place and say I think this is a bad deal for the City even though MHRA is bringing it forward? Do you think that that should be a position that the Economic Developer comes in and says we don't agree with what they are doing?

Mr. Ashooh responded I am not so sure that is their expertise but they were given the responsibility to do that. It could have come to the MDC to do or whatever but if you had, in essence, a department head position where you charged them with that responsibility then I think you have an expectation that that department head is going to assign that task to the

people with the proper expertise and a report comes back to you. Now I don't sit on the MHRA Board and I have no idea what discipline they went through to do this. I know they had a number of different proposals. I know it is a good Board and I know that they probably did their hardest work. Whether they were the appropriate body or not I think you would probably go to an Economic Development Director and say why did you send it there? This is where we get back to the discussions what is the job description. What do you want this person to do and it is obviously not pushing pencils.

Mayor Baines stated but you know I think Alderman Gatsas raised a valid point in terms of the Economic Development Director's role with the MHRA. They have exactly that role. I saw Jay many times saying to MHRA I think this is a good deal or I don't think this is a good deal. I think this is concurrent with the Master Plan of the City or I don't think it is. Jay had an opinion about this issue but I am not at liberty to say it because he is not in an official capacity right now but that is the role of the Economic Development Director as it has been established for many years, many Mayors ago, that the Economic Development Director interact with the MHRA and gives advice and counsel to them regarding the City's position but in terms of an Economic Development Director taking over the MHRA role, you would probably create a great size bureaucracy within City government with the expertise that they have over there that we don't have over here.

Alderman O'Neil stated I, along with Alderman Thibault and probably Alderman Osborne remember the days of the true City Coordinator, John Hoben, who wore many hats. There were a couple of people after John Hoben but some of his responsibilities got doled out to Jay Taylor. Some got doled out to Kevin Clougherty and some got doled out to Bob MacKenzie but at one point we had one person doing that. Skip has used the word a number of times this evening coordinate or coordinator. I think Skip is on track with the definition or the job description of this person. We keep talking about Economic Development Director but that limits the role of that person. I know if I recall and Alderman Lopez can correct me if I am wrong but at one point we did start off with a term way back last spring called some kind of coordinator. Although I do recognize the need that we do need to do something here I think that sending it to Committee would be appropriate. What role? Are there other things the Housing and Redevelopment Authority can be doing for us that would limit the need of City staff? Are there other things that MDC can be doing? I look forward to seeing this report from the MDC. I will support sending it to Committee.

Mayor Baines stated just a statement of fact here. I said early on in my administration that one of the most serious errors that was made in City government over the decade was the elimination of the Coordinator's position. We talked about that often because I really think that it has cost the City and this is just speculative, but millions of dollars by not having somebody in that role. Why it was ever cut out I don't know. Secondly, when the Economic Development Director's position was eliminated and nothing was done that took something out of the guts of City government to try to coordinate it and everybody talks about

communication and coordination, etc. yet the two key positions that were in that role over the past decade or more have been stripped out of City government and we are now really many times operating with our hand tied behind or backs. Despite that, some good things are being done. I want to say something positive about Jane and Jay. One of the things that I have found in these visits and again it has to be approaching 140 of them, on almost all of them I hear comments like, “Jane thank you very much for helping us put together all of the coordination of the project for the expansion of this building or the financing for this and this and this.” My respect grew for Jay Taylor when I started out with these visits and listened to the hard work that was done behind the scenes that none of you see on a daily basis interacting with these businesses. They have told me often that they would not be in Manchester now or would not have stayed in Manchester had it not been for the interaction they had with the people in the Economic Development Office. I have heard that visit after visit after visit.

Alderman Roy stated while I do have respect for the Committee process, not sitting on any of the Committees that you mentioned sending this to I would prefer to deal with it at the full Board level as I think this is something that affects the whole City but what I would like to do now is we have the Chamber of Commerce sitting in the front row listening to all of this. They have daily interaction with all of the businesses in the City. I would like to hear their comments on the direction the City needs to go and if this is a position that is worthy of having or eliminating.

Robin Comstock, Greater Manchester Chamber of Commerce, stated thank you Alderman Roy. I wish I had a magic wand with all of the answers but I don't. I do have some thoughts that I could offer and where I would like to begin actually if I may is to return to Alderman DeVries's original question. You posed the question of what could the role be of other organizations in the community and what I would like to immediately offer is that there is no way that the Chamber of Commerce can fill the role of an Economic Development Director. It is our place in our community to support an Economic Development Director and to work in partnership with that individual to market and promote and sell the community. We can provide support materials. We can provide partnerships. We can create a team but we could not fill that role unless we completely reorganize the Chamber and created a new position. If it were me doing that, I would create a position of a highly sophisticated, well experienced, highly trained individual that would probably garner a high salary and I would come to the City and ask for funding for that position. We just are not capable. We are very anxious and look forward to a partnership and working in collaboration and consensus with the individual on behalf of the City. As I listened to some of your discussion and as thoughtful as you always are in the subjects that you deal with, a couple of anecdotal thoughts came to mind that may be somewhat insightful to you. The first thought I had was not filling the Economic Development Director position would be like not filling Tom Schweiger's position when he retired after 17 years at the Chamber of Commerce and taking his duties and dividing them among a very sophisticated and highly qualified staff and looking then at what would not be

accomplished at the Chamber and what would not be able to be accomplished on behalf of the City because you wouldn't have executive leadership capable of creating an organization that responds to the community and its contemporary trends. Anecdotally again I think the same could be true for the Commissioner of DRED. It could be argued that that position should have not been filled when George Bald left for Pease and that those duties could be divided among the staff at DRED, I believe there are 32 employees yet we filled that position because it is an enormous job, it is an important job and it is a revenue generating job. I would like to offer also as my final anecdotal comment that I do receive many phone calls. I am afraid I haven't tracked them and I can't give you specific numbers but I can tell you quite honestly that I do receive numerous phone calls from developers, real estate agents, and potential buyers who are very confused as to where to begin in the City of Manchester. I find myself in the position of grabbing that hand, holding it and running them across the street to Jane Hills or Bill Jabjiniak, the Mayor, himself, or Bob MacKenzie. It is confusing and I am forgetting who made the comment rhetorically asking the question what kind of message are we sending to developers. What kind of message are we saying about the City of Manchester, the Finance Capital of the State of NH, the economic hub of the state without having an Economic Development Director? A couple of other just random thoughts if we have time that I would love to share is in our discussion that we have an overall belief that there would be a profound return on the investment. An Economic Development Director who has authority, is accountable and responsible to answering to you and other partners in this City can grow the tax base and grow jobs building a better community. Let's all be reminded that Manchester has a complexity of economic development issues and projects that demand sophisticated expertise to consult with you and advise you. How you construct the job description, how that individual creates the department can be determined as we move forward. It does not have to be decided tonight. Again, there is a high demand in our opinion for a very sophisticated skill set that can be utilized and applied in a day-to-day basis. We just can't imagine Manchester without an Economic Development Director. There is too much at stake. The future is too hopeful and too positive. The trend is uphill and we need, again, sophisticated guidance to get us there. Mr. Friedman spoke about a little earlier needing well plan and balanced growth. Our future depends on a professional who is educated and experienced. Again, the whole accountability thing. Sell, sell, sell. Market, market, market. Promote, promote, promote and to be accountable. When you have a group of people you diffuse and distract accountability and I think that is potentially problematic for you as the Board of Aldermen and potentially for the City itself. Those are just some random thoughts.

Alderman Roy stated thank you Robin. I will direct this comment to my fellow Aldermen. Alderman Thibault made the motion to send this to Committee seconded by Alderman O'Neil. If they withdraw this motion I would like to move that the Mayor put the five people he mentioned earlier in charge of going through the applications and we stay the course with providing a service to our taxpayers.

Alderman Thibault stated I am going to stay with my motion.

Alderman Guinta stated your Honor you mentioned a couple of mistakes that the City has made in the last 10 or 20 years. I feel very strongly that if we don't move forward in hiring this position we are going to be making another grave mistake. I think by and large the 15 of us all agree that we need an individual who is going to lead the team. We can, over the next two months, craft the job description and the job title if a change is warranted but a lot of people are talking about coordination versus director. Every director that I know coordinates. Again, whatever you want to call this individual, my preference and I think it is of the utmost important to the City is to move forward with this. How could you have a City without a Finance Director or an Airport Director? If we went without an Airport Director for three years I think we would be scrutinized and rightfully so. Positions like that are so crucial to the future make up and the future vision of the City. It is something that if you have some issues about what you are going to call it and what that person is going to be doing in terms of its overall job description. I would prefer to deal with that but if this goes to Committee tonight and we have a further delay I think that is a grave mistake. I know that you are going to call for a vote, your Honor. I would hope everybody would vote against the motion on the floor so we could then make a motion to move forward with your initial, and might I add appropriate, reaction which was to set-up the committee and move forward.

Alderman Gatsas stated I guess I have a couple of questions of the Human Resources Director. The job that you have gotten 26 applications for, what is the range of pay?

Virginia Lamberton, Human Resources Director, responded the position is a salary grade 28 and it starts at \$74,842 and maxes out at \$106,707.

Alderman Gatsas asked so the committee would have an opportunity to place that person at whatever level they wanted.

Ms. Lamberton answered no the committee would not. The ordinance requires...actually it is the Mayor's nomination but he would have to get approval from himself.

Alderman Gatsas asked the Mayor could start him at more than minimum.

Ms. Lamberton answered yes that is what the ordinance says.

Alderman Gatsas asked how far could the Mayor start him at.

Ms. Lamberton answered whatever step he chose to.

Alderman Gatsas stated so I would assume if there are two people in that position now and I have no idea but correct me if I am wrong do we have somebody in the economic

development arena now, Mr. Jabjiniak and Jane Hills are they earning more than the \$74,000?

Ms. Lamberton responded I think Jane may. No, the answer is no.

Mayor Baines stated Bill's salary does not come from the general fund. It is supported by Federal funds.

Alderman Gatsas responded I understand that. I am just asking the question. Is he being paid more than \$74,000.

Mayor Baines replied I am getting a no from him. The answer is no.

Alderman Gatsas asked so you could start him at \$74,000.

Mayor Baines answered I could depending on the qualifications of the people.

Alderman DeVries stated I thought Alderman Gatsas might go there but let me ask a couple of more questions. If this is sent to committee with a possible delay of months for us to complete the committee process and come back here, how is that going to affect...we have already posted and closed the job application. We have had some incredible candidates, very surprising candidates for this that I would imagine are looking for a response or a letter back from the City. They are going to be calling looking for information and you will be in limbo land so I guess I am wondering how you plan to handle this and how this is going to reflect on the opinion of the City and is it also potential going to lose us candidates?

Mayor Baines asked are you asking me.

Alderman DeVries answered I am asking Ginny Lamberton.

Ms. Lamberton stated just as a matter of information I have received several calls from individuals who have applied for the position and I told them what our procedures are and what our process is and I have told them that our committee will be meeting on December 17 to select the individuals to interview to develop questions and that we would probably be asking people to come that we pick in January. That is the understanding of the candidates. I would be really concerned that if we don't follow that and we go back to the Committee or we do this or that that we will lose probably the best candidates because they will be concerned about our seriousness of filling the position.

Mayor Baines stated I will respond even though you didn't ask. That is exactly what is going to happen. If we don't move forward tonight you are going to lose the top candidates. They are just not going to be there. There is no doubt about it. How does it affect the City?

I think in a very broad and general sense it does affect the City. The City grappled with this issue and made a decision. We moved on. We went through the budget process and talked about the position. We decided on the position. We advertised the position. All of these people went through the process and thought the City was serious about it. I think it does impact the City in a negative light but that is just a general opinion.

Alderman DeVries stated obviously I agree and I would ask one more time of Alderman Thibault knowing that we are likely to lose the best candidates for the position if you might once again consider withdrawing your motion or your second to have it sent to Committee so that we can deal with a vote on this tonight. If the vote fails we still can bring up a motion to send it to Committee but let us at least have a vote first by the Board to see if people are in favor of moving forward tonight with the Economic Development Director.

Mayor Baines responded the only thing I would say is if the people who are so inclined to move forward with the positions can simply vote no on the motion that is on the floor then it would come back on the floor again. There are two ways to get at that issue.

Alderman Lopez stated I think it is a very good point that has been brought up and that is the reason this whole conversation as to whether or not we move into an Economic Development Group under the Planning Division...I could almost say that I am almost positive that somebody making \$90,000 wouldn't be in charge of that Economic Group in the Planning Division. I guess the basic question is are there eight votes here that are going to be able to confirm the nomination of an Economic Director or department head for whatever figure you come in at between \$74,000 and \$106,000 when other avenues have been presented that could be done? If there is not a will to hire somebody in the category of \$74,000 to \$76,000 then the Committee process of an Economic Development Group would be in order but if you have the votes for hiring an Economic Development Director it doesn't make a difference where it goes.

Mayor Baines stated the only thing I would like to remind you of is this proposal calls for two additional people in the Economic Development Office in addition to the two that are there now. It wasn't just having two. It was having four people to get behind economic development. That is what Jay supported and that is what the Planning Department supported.

Alderman Lopez responded I totally agree with you. Also give or take \$60,000 in grant money plus the \$10,000 we give out of CIP all of that money would go to the Planning Department, which is over \$300,000 so if the economic group is there the money would still go there and they can still develop these positions for retention and marketing and all of that. I just want to bring that up.

Mayor Baines stated I think we should just call for a vote to see if you want it to go to Committee. If you don't and you want to entertain some other motions, vote no. If you want it to go to Committee vote yes.

Alderman Gatsas stated you sent out a letter to us about reviewing the pay scale for the entire City and here you are looking for us to arbitrarily look at an Economic Development Director.

Mayor Baines responded let's stay on one issue.

Alderman Gatsas replied this does have to do with the issue.

Mayor Baines responded the salary schedule for the position is set by the City. These things are not connected. I am going to call for a roll call.

Alderman Lopez asked what is the motion.

Deputy City Clerk Johnson answered the motion is to refer it to a Joint Administration/Human Resources Committee meeting. Aldermen Roy, Guinta, Sysyn, and DeVries voted nay. Alderman Gatsas, Osborne, Porter, O'Neil, Lopez, Shea, Garrity, Smith, Thibault, and Forest voted yea. The motion carried.

12. Presentation by Christine Martinsen, Human Resources Analyst, regarding City Clerk position.

Mayor Baines stated I do want to read for the record this letter.

Dear Honorable Members:

Compensation of City employees has become the focus of recent news articles and discussion. The so-called Yarger Decker program was implemented in January of 1999. (By the way before many of us were here). While many of the expensive features of the program (i.e., bonuses, index based colas) have been eliminated through the collective bargaining process, there still remains the fundamental elements of a civil service system (i.e., merit steps; steps based on longevity; colas).

I recognize that there are City employees who are not satisfied with their current points ratings under the Yarger Decker program. Therefore, rather than trying to formulate policy on a position-by-position basis, I am tonight proposing that we take a thoughtful comprehensive approach.

I am today directing the Human Resources Director, City Negotiator and City Finance Officer to formulate a request for proposal (RFP) seeking independent assistant to:

- 1) Review the existing compensation system to determine generally where the City's pay grades are with respect to existing market rates.
- 2) Review the existing points system to ensure its continued accuracy and applicability.

- 3) Provide the City with concrete detailed recommendations for improvements to the existing system or alternatives that should be considered.

I am tonight asking these Department Heads to report back to the Human Resources Committee on their progress preparing such a solicitation at the Committee's first meeting in January. The report should include estimated costs associated with such an RFP and a time schedule for such an exercise.

I look forward to working with the BMA in undertaking a management approach to compensation analysis.

Sincerely,
sRobert A. Baines
Mayor

Mayor Baines stated therefore, I am asking that Item #12 be delayed and would ask that this matter be referred to the process that I just outlined in my letter.

Alderman Thibault moved to refer this matter to the review process as outlined in the communication from the Mayor dated December 7, 2004. Alderman Shea duly seconded the motion.

Alderman Gatsas stated I agree that most of us weren't around for the Yarger Decker but a lot of us were around when we hired a consultant to come in and take a look at the pay matrix that we have in place. I would think that maybe the Human Resource Director can dust off that report and maybe send us all a copy to show us that back four years ago that that report was showing that some of the higher compensated employees were above the pay matrix that was in the surrounding communities and the lower income employees were below that matrix. So, I think that before we take a look...and I certainly don't disagree with what your proposal is, your Honor, but just to do another RFP and have somebody come in here and tell us what the problems are and we spend the money on the RFP we, as a Board, have to say that at least we are going to be looking first maybe at the matrix that was done or the RFP that was first done to say that yeah we can live with some of these changes or no we can't because there's no sense in spending money if we're not going to take the recommendations that they put before us to reduce salaries or increase salaries.

Mayor Baines stated my intent is not to just generate a report but to create a report that will have action behind the report and will demonstrate the leadership and the courage to deal with that issue as the facts unravel.

Alderman O'Neil stated I just want to make sure that I understand this. The consultant would work within the framework of our current pay matrix...all the various items that make up the ordinances regarding personnel issues.

Mayor Baines to look actually at the whole system, do an analysis of the system and update the study and give some information to the Human Resources Committee so they could direct whatever appropriate action would be necessary.

Alderman Roy stated while I commend you for wanting to take a strong look at Yarger Decker I don't see that the item that we're looking at number 12 which is a specific employee issue and my understanding was a mistake made or a calculation mistake made on an employee issue has the same to do with reexamining Yarger Decker.

Mayor Baines stated I asked Mike Colby to discuss this with Leo because I was in a meeting today and he was agreeable to this being referred to this process.

Alderman Lopez stated to make sure that I'm clear in developing the RFP...this individual that is selected...will that individual work with the Human Resources Committee.

Mayor Baines replied yes with the Committee and the Chairman of the Board. We will be sitting down with Alderman Shea after the department heads come forward to make sure that he's in tune with what we're doing.

Alderman Smith stated I've been after this for quite a while and I think you're going to open up to a lot of appeals. A lot of people had the opportunity when Yarger Decker came in and they didn't appeal it for one reason or another especially the ones that are red listed and everybody knows what I'm talking about. There's an injustice someplace. The people that came in with Yarger Decker were the department heads and lo-and-behold that's how the system works. Now, you take 2% of \$120,000 and 2% of \$30,000 that's quite a difference. I really think that this should be investigated...there's inequity throughout the City.

Mayor Baines called for a vote on the motion to refer Item #12 to the review process. The motion carried with Alderman Roy being duly recorded in opposition.

Alderman Guinta stated I have a little bit of frustration with this issue because I think the appropriate time to have dealt with it was several months ago prior to entering into and agreeing to all of the contracts. We talked about that as a Board and then ultimately I think there was some general consensus that that made sense but whatever reason there wasn't the political will to get it done. So, I am very much in favor of reviewing Yarger Decker and trying to...and I appreciate the recognition that Yarger Decker needs, in my view, vast improvement. But, before we go out to RFP and I don't know even what the scope of the dollars are that we're talking about here whether it's over or under \$100,000 if we get a recommendation in six months say is there are feeling that we're going to be able to do anything about it in the next three years, the contracts run for the next three years.

Mayor Baines interjected that's our hope.

Alderman Guinta stated how do you open up a contract, so the time to do it is before we enter into them. Now, what you're proposing would require to open up the contracts after we have the RFP.

Mayor Baines stated people would tell you that anything of this nature is going to take a lot of time, a lot of deliberation by a lot of people and it's going to be a very time consuming process as was the last study that was done.

Alderman Guinta asked what about putting together a group of business leaders in the City asking them to volunteer their time to do what you're asking this RFP to do.

Mayor Baines stated when you do something of this nature it's very job specific in task that is going to require some skills of people that have the time, the research and everything to do that. I think the RFP process is the way to go.

Alderman O'Neil stated I've had discussions over the years with people from the private industry regarding Yarger Decker, it's impossible to explain it to them. You need to get somebody that understands the public employee sector whether they've done work on the municipal level, on the state level or on the federal level.

Mayor Baines stated that's just the way it is.

Alderman Shea stated I commend you for this. I think though that in answer to Alderman Guinta anytime any RFP does come it has to have the approval of the Board, so that if some people don't feel comfortable about whatever the amount might be or for any reason concerning it then they have that vote to say no and I think that's very important.

Alderman Guinta stated so we're going to vote on this before...how old is the study that was just done?

Mayor Baines replied about two and a half years.

Alderman Guinta stated so rather than take a look at that study and get statistics from the state to make that determination we're going to move forward with an RFP.

Mayor Baines stated if you read the letter we're talking about getting something to the Human Resources Committee in January. So, there is going to be some time to move this forward.

TABLED ITEMS

- 13.** Report of Committee on Community Improvement recommending that pursuant to RSA 232:22a Hillcrest Avenue be reclassified from a Class VI to a Class IV highway contingent upon a design plan of improvements acceptable to the highway Department submitted by a licensed NH engineer, and a bond for the cost of construction presented in the design plan that is acceptable to the Highway Department being received by the Highway Department. Such reclassification to become effective upon certification by the Public Works Director to the City Clerk that such items have been received and are acceptable to the Highway Department. (Tabled 11/16/2004 at request of Alderman Garrity)

This item remained tabled.

- 14.** Report of Committee on Traffic/Public Safety recommending that Ordinance:

“Amending Section 70.57(A) Parking Rates of the Code of Ordinances of the City of Manchester by increasing the monthly parking garage rates.”

Providing for increase of parking garage rates from \$65.00 monthly to \$70.00 monthly, as enclosed herein, be adopted with an effective date of January 1, 2005. (Tabled 11/16/2004 at request of Alderman Guinta)

On motion of Alderman Lopez, duly seconded by Alderman Shea, it was voted to remove Item 14 from the table for discussion.

Alderman Guinta stated at the time I had asked and I appreciated the Board’s tabling it, what I wanted to do was to obtain some information from the other surrounding cities to see where we are relative to those other cities. I have sent out correspondence to the cities, I have yet to receive any correspondence back. So, I did in fairness at the last meeting think that I’d have all the information for today because I haven’t received it. I would prefer to wait but if this Board would wish something other than that, I would understand.

Alderman Lopez moved to retable Item 14 until the first of the year. Alderman Garrity duly seconded the motion. There being none opposed, the motion carried.

Alderman O’Neil stated maybe the clerk could be asked to do this research but there was a vote taken at one time, I think Sally did do some quick research but didn’t get all the votes...this was again just a continuation and getting up to a point...all the business people asked for...they were renting spaces in the garages...was give us a plan, follow the plan. We are now breaking from following the plan and that’s where we’ve gotten in trouble in the past, it hasn’t been an issue the last three or four years since we’ve made these changes, maybe the clerk can get the very detailed information of how this all came about. Thank you.

15. NEW BUSINESS

Resolutions:

“Amending the FY2002 Community Improvement Program, authorizing and appropriating funds in the amount of Two Hundred Ninety Four Thousand Three Hundred Fifty Dollars (\$294,350) for the 2002 CIP 210902 Substance Abuse Prevention and Treatment Program.”

“Authorizing the Finance Officer to effect a transfer of Forty Nine Thousand Three Hundred Seven Dollars and Four Cents (\$49,307.04) for the 2005 CIP 510005 Park Facilities Improvement Program.”

“Amending the FY2003 and 2005 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Forty Nine Thousand Three Hundred Seven Dollars and Four Cents (\$49,307.04) for the 2005 CIP 510005 Park Facilities Improvement Program.”

On motion of Alderman Roy, duly seconded by Alderman Garrity, it was voted to dispense with the reading of the Resolutions by titles only.

Alderman Lopez moved that the Resolutions pass and be enrolled. Alderman Forest duly seconded the motion. There being none opposed, the motion carried.

Alderman Gatsas stated we have a Riverfront Committee meeting last night and we extended the deadline on the financing for Chinburg. I don't believe that we, as a Committee, have the ability to do that. According to the contract I think it must come back to this full Board, there was no motion made to that point and I think it needs to come back to the full Board for this Board to extend that contract.

Mayor Baines called upon Assistant City Solicitor Arnold to respond.

Assistant City Solicitor Arnold replied I don't think, your Honor, that extending the date by which Mr. Chinburg must make his payments under the document is altering the nature of the deal and it's within the providence of the Committee on Riverfront Activities and Baseball.

Alderman Gatsas stated the last extension we had from November 1st to December 1st had to come back to this full Board for an extension, your Honor, so we need to make sure that we're getting legal answers that are corresponding with the motions and votes that were taken in this body because this body has to vote on that full extension.

Alderman Lopez stated I agree with Alderman Gatsas that the first extension was demanded by the agreement to extend it. I think the Finance Officer could probably help along this line. I think what happened is when the extension went forward there must have been some

type of communication along with Mr. Chinburg and I'll let him speak for himself...what happened at the Committee meeting was agreed by the members to go ahead and give him until the end of the month in order to get his finances, but I would like the Finance Officer to add to it.

Mr. Clougherty stated as I mentioned to the Committee I did talk to Mr. Chinburg, I did contact him on December 1st which was the deadline that had been adopted. He informed me that he is in the process of procuring the necessary financing, he got a number of banks that he had competing for this and he was making a business decision that was in his best long-term interest to have that competition between the banks go on as opposed to making the payment to the City at this time. He understands that he has some penalties associated with not making the payment this time, he's recognized that and it is his intention to have this done by the end of December and agrees with the issues that were raised by the Committee that if that is not the case by the end of the month it could be taken to a higher level.

Mayor Baines stated at this point in time I have to take into consideration the City Solicitor's ruling on this matter and it could be further researched and could be reported at the next Board meeting as well.

Alderman Shea stated we heard a lot this evening about economic development, coordinator and so forth. So, as Chairman of the Board, I'm establishing an Aldermanic Subcommittee relating to matters of economic development and on that committee and I have asked and they have accepted Aldermen Gatsas, Osborne, Porter, Lopez and myself and the person that will head up that Committee is Alderman Gatsas and the Vice-Chair or the person who would be conducting meetings in the absence would be Alderman Porter. So, we're hoping that we can get a grasp on different matters and whatever the procedure goes with the Coordinator/Economic Development Director and so forth that this Committee will at least have an insight as to what is going on. So, I think it's very important at this time.

There being no further business to come before the Board, on motion of Alderman Smith, duly seconded by Alderman Thibault, it was voted to adjourn.

A True Record. Attest.

City Clerk